



# STIC Search Report

## EIC 3600

STIC Database Tracking Number: 208892

**TO:** Alexander Kalinowski  
**Location:** 5D49  
**Art Unit :** 3691

**Case Serial Number:** 09/629323

**From:** Robert Finley  
**Location:** EIC 3600  
**KNX-4C 29**  
**Phone:** 571-272-8952

**Robert.Finley@uspto.gov**

### Search Notes

Mr. Kalinowski:

Attached are the results of your search request regarding  
**LONG TERM DISABILITY OVERPAYMENT RECOVERY SERVICE WITH POST AWARD  
SERVICE AND SAVINGS PROGRAM AND FINANCIAL ASSISTANCE**

Please let me know if need you anything further.

Bob Finley

008852  
STIC EIC 3600

## Search Request Form

Today's Date:  
11/29/06Class/Subclass  
705/4

What date would you like to use to limit the search?

Priority Date: 3/15/2000

Other:

Name <u>Alexander Lachowski Falikowski</u>	Format for Search Results (Circle One):
AU <u>3691</u>	PAPER      DISK      EMAIL
Examiner # <u>LNOX</u>	Where have you searched so far?
Room # <u>SD49</u>	USP DWPI EPO JPO ACM IBM TDB
Serial # <u>10/03/2006 01 629323</u>	IEEE INSPEC SPI Other _____

What is the topic, novelty, motivation, utility, or other specific details defining the desired focus of this search? Please include the concepts, synonyms, keywords, acronyms, definitions, strategies, and anything else that helps to describe the topic. Please attach a copy of the abstract, background, brief summary, pertinent claims and any citations of relevant art you have found.

System, SOFTWARE OR COMPANY THAT ~~AUTOMATICALLY CAN WITHDRAW OVERPAYMENT~~ CAN PROCESS SOCIAL SECURITY DISABILITY INSURANCE (SSDI) CLAIMS FROM THE SOCIAL SECURITY ADMINISTRATION (SSA) ON BEHALF OF CLIENTS. CLIENTS RECEIVE PRIVATE INSURANCE COVERAGE FOR DISABILITIES COVERED BY SSDI. THEY SUBMIT CLAIMS FOR SSDI WITH SSA. IF THEY QUALIFY FOR SSDI AND HAVE ALREADY RECEIVED PRIVATE INSURANCE BENEFITS FOR THE DISABILITY, THE CLIENT MUST RETURN OVERPAYMENT (THE AMOUNT SSDI GRANTS OR A PORTION OF IT) TO THE PRIVATE INSURANCE COMPANY.

NEW FEATURE:

OVERPAYMENT AMOUNT IS RECOVERED BY AN AGENT WHO IS AUTHORIZED TO WITHDRAW OVERPAYMENT AMOUNT FROM THE CLIENT'S DEPOSIT ALLOWED

STIC Searcher \_\_\_\_\_ Phone \_\_\_\_\_

Date picked up \_\_\_\_\_ Date Completed 12-9-06



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File 169:Insurance Periodicals 1984-1999/Nov 15  
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Set Items Description  
S1 3 AU=(ALLSUP, J? OR ALLSUP J? OR ALLSUP(2N)J?) OR BY=ALLSUP(-  
2N)J?

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1/3,K/1 (Item 1 from file: 35)  
DIALOG(R)File 35:Dissertation Abs Online  
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501989 ORDER NO: AAD74-18856  
**FEMINISM IN THE NOVELS OF ELLEN GLASGOW.**  
Author: ALLSUP, JUDITH LOUISE  
Degree: PH.D.  
Year: 1974  
Corporate Source/Institution: SOUTHERN ILLINOIS UNIVERSITY AT CARBONDALE (0209)  
Source: VOLUME 35/02-A OF DISSERTATION ABSTRACTS INTERNATIONAL.  
PAGE 1083. 209 PAGES

Author: ALLSUP, JUDITH LOUISE

1/3,K/2 (Item 2 from file: 35)  
DIALOG(R)File 35:Dissertation Abs Online  
(c) 2006 ProQuest Info&Learning. All rts. reserv.

493830 ORDER NO: AAD74-10475  
**THE MAGIC CIRCLE: A STUDY OF SHELLEY'S CONCEPT OF LOVE.**  
Author: ALLSUP, JAMES OTIS  
Degree: PH.D.  
Year: 1973  
Corporate Source/Institution: UNIVERSITY OF MINNESOTA (0130)  
Source: VOLUME 34/11-A OF DISSERTATION ABSTRACTS INTERNATIONAL.  
PAGE 7217. 185 PAGES

Author: ALLSUP, JAMES OTIS

1/3,K/3 (Item 1 from file: 65)  
DIALOG(R)File 65:Inside Conferences  
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01283326 INSIDE CONFERENCE ITEM ID: CN012610609  
**3M's Brownwood Facility**  
Huhn, D.; Allsup, J. ; Antrican, S.; Boyce, K.  
CONFERENCE: Hazmat Southwest '93-5th Annual environmental management and technology conference  
HAZ MAT SOUTHWEST, 1993; 5th P: 415-430  
Glen Ellyn, Advanstar Expositions, 1993  
LANGUAGE: English DOCUMENT TYPE: Conference Papers  
CONFERENCE EDITOR(S): Cooper, R. E.  
CONFERENCE LOCATION: Dallas, TX  
CONFERENCE DATE: Sep 1993 (199309)

Huhn, D.; Allsup, J. ; Antrican, S.; Boyce, K.

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File 347:JAPIO Dec 1976-2006/Jul(Updated 061116)

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File 348:EUROPEAN PATENTS 1978-2006/ 200647

(c) 2006 European Patent Office

File 349:PCT FULLTEXT 1979-2006/UB=20061123UT=20061116

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File 350:Derwent WPIX 1963-2006/UD=200676

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Set        Items        Description  
S1            3        AU=ALLSUP J?

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1/3,K/1 (Item 1 from file: 350)  
DIALOG(R)File 350:Derwent WPIX  
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0015491342 - Drawing available  
WPI ACC NO: 2006-055468/200606  
XRPX Acc No: N2006-047859

Advertisement providing method, involves conducting respective search in database, to generate search results, where primary search results are provided to user together with identified advertisement data

Patent Assignee: ALLSUP J F (ALLS-I); POSTON S (POST-I)

Inventor: ALLSUP J F ; POSTON S

Patent Family (1 patents, 1 countries)

Patent Application

Number	Kind	Date	Number	Kind	Date	Update
US 20050283464	A1	20051222	US 2004865158	A	20040610	200606 B

Priority Applications (no., kind, date): US 2004865158 A 20040610

**Patent Details**

Number	Kind	Lan	Pg	Dwg	Filing Notes
US 20050283464	A1	EN	11	4	

Inventor: ALLSUP J F ...

**Original Publication Data by Authority**

Inventor name & address:  
Allsup, James F ...

1/3,K/2 (Item 2 from file: 350)  
DIALOG(R)File 350:Derwent WPIX  
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0001017304

WPI ACC NO: 1975-N3247W/

Vehicle steering mechanism translating device - is linkage to connect steering shaft to steering rods for proper steering in either direction

Patent Assignee: LTV AEROSPACE CORP (LINJ)

Inventor: ALLSUP H C

Patent Family (1 patents, 1 countries)

Patent Application

Number	Kind	Date	Number	Kind	Date	Update
US 3921466	A	19751125	US 1973346562	A	19730330	197550 B
			US 1974499819	A	19740823	
			US 1974499819	A	19740823	

Priority Applications (no., kind, date): US 1974499819 A 19740823

**Original Publication Data by Authority**

Inventor name & address:  
Allsup, Jr., Harvey C ...

1/3,K/3 (Item 3 from file: 350)  
DIALOG(R)File 350:Derwent WPIX  
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0000904339

WPI ACC NO: 1975-A7613W/

Vehicle steering mechanism - has separate transversely movable steering

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**members linked to each pair of wheels**

Patent Assignee: LTV AEROSPACE CORP (LINJ)

Inventor: ALLSUP H C

**Patent Family (1 patents, 1 countries)**

Patent Number	Kind	Date	Number	Kind	Date	Update
US 3858523	A	19750107	US 1973346562	A	19730330	197503 B
			US 1974499819	A	19740823	
			US 1973346562	A	19730330	

Priority Applications (no., kind, date): US 1973346562 A 19730330

**Original Publication Data by Authority**

**Inventor name & address:**

Allsup, Jr., Harvey C ...  
? t 1/5/1

1/5/1 (Item 1 from file: 350)

DIALOG(R)File 350:Derwent WPIX

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0015491342 - Drawing available

WPI ACC NO: 2006-055468/200606

XRPX Acc No: N2006-047859

**Advertisement providing method, involves conducting respective search in database, to generate search results, where primary search results are provided to user together with identified advertisement data**

Patent Assignee: ALLSUP J F (ALLS-I); POSTON S (POST-I)

Inventor: ALLSUP J F ; POSTON S

**Patent Family (1 patents, 1 countries)**

Patent Number	Kind	Date	Number	Kind	Date	Update
US 20050283464	A1	20051222	US 2004865158	A	20040610	200606 B

Priority Applications (no., kind, date): US 2004865158 A 20040610

**Patent Details**

Number	Kind	Lan	Pg	Dwg	Filing Notes
US 20050283464	A1	EN	11	4	

**Alerting Abstract US A1**

NOVELTY - The method involves conducting search in a database, based on received search keyword, to generate search results having a primary relevance to the keyword. Another search is conducted in another database, based upon the key word, to identify advertisement data having an association with the search key word. The primary search results are provided to the user together with the identified advertisement data.

DESCRIPTION - INDEPENDENT CLAIMS are also included for the following:

- 1.a method for displaying advertisement information to a user searching
- 2.an apparatus for providing electronic advertisements to a client system
- 3.a method for providing an advertisement to a user

USE - Used for providing an advertisement to a user over the Internet.

ADVANTAGE - The primary search results are provided to the user together with the identified advertisement data, hence providing social security disability services to the user over the Internet effectively.

DESCRIPTION OF DRAWINGS - The drawing shows a screen capture of an Internet search engine interface.

108 Computer program

Robert Finley

114 Internet search engine  
304 Advertisements

**Title Terms/Index Terms/Additional Words:** ADVERTISE; METHOD; CONDUCTING;  
RESPECTIVE; SEARCH; DATABASE; GENERATE; RESULT; PRIMARY; USER; IDENTIFY;  
DATA

**US Classification, Issued:** 707003000, 705014000

**File Segment:** EPI;

**DWPI Class:** T01

**Manual Codes (EPI/S-X):** T01-J05B4P; T01-N01A2C; T01-N03A2

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File 9:Business & Industry(R) Jul/1994-2006/Dec 01  
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File 476:Financial Times Fulltext 1982-2006/Nov 21  
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File 610:Business Wire 1999-2006/Dec 04  
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(c) 2006 American Banker  
File 637:Journal of Commerce 1986-2006/Dec 01  
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Set	Items	Description
S1	79154	SOCIAL()SECURITY
S2	66237	DISABILITY
S3	22748	DEPOSIT()(ACCOUNT OR ACCOUNTS)
S4	3484211	(THIRD OR 3RD)()(PARTY OR PARTIES) OR INDEPENDENT?? OR PRIVATE???
S5	3238135	INSURANCE OR COVERAGE OR BENEFIT OR BENEFITS
S6	5477990	AUTHORI??? OR AUTHORI?ING OR CONSENT OR PERMISSION? ? OR ALLOW?? OR PERMIT?? OR APPROV??? OR AGENT? ? OR DELEGATE? ? OR REPRESENTATIVE? ? OR BROKER? ?
S7	158792	OVERPAYMENT OR OVERPAY OR OVERPAID OR (DUPLICAT??? OR DOUBL??? OR REDUNDAN?? OR REPEAT??? OR MULTIPLES OR DOUBLE OR OVERR)(8N)(PAY OR PAID OR PAYMENT OR PAYMENTS)
S8	6176	S1 AND S2
S9	15	S8 AND S3
S10	15	S9 AND (S4 OR S5 OR S6 OR S7)
S11	10	S10 NOT PY>2000

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11/3,K/1 (Item 1 from file: 9)  
DIALOG(R)File 9:Business & Industry(R)  
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01176002 Supplier Number: 23755656 (USE FORMAT 7 OR 9 FOR FULLTEXT)  
The year of thinking big  
(The year of 1996 is one that life insurers will remember as one possessing sweeping change for industry; insurers looked further outside their traditional areas of business)  
Life Insurance International, n 88, p 13  
January 1997  
DOCUMENT TYPE: Newsletter ISSN: 0956-327X (Ireland)  
LANGUAGE: English RECORD TYPE: Fulltext  
WORD COUNT: 2587

(USE FORMAT 7 OR 9 FOR FULLTEXT)

**ABSTRACT:**

...rife with speculation about mergers and acquisitions. Serious new players made inroads into the life insurance business and insurers, anxious not to be left behind, looked further outside their traditional areas...

...channels and markets. And competition was not the only factor driving change, as persistent media coverage of misselling scandals underlined that the consumer voice will not go away. Insurance sector merger of the year - some said of the century - was undoubtedly that of French groups AXA and UAP, announced in November (see LII 86). This created Europe's largest insurance group and the world's second-largest insurer, with annual turnover based on 1995 figures...

...FFr313 billion (\$60.2 billion). The deal came towards the end of a year when insurance circles were alive with talk of super-players. A generation of mega-providers in the...

...of the executive board of Fortis Netherlands, told the July annual seminar of the International Insurance Society. The second-biggest merger in US life insurance history - that between Connecticut Mutual and Mass Mutual, which created a company with \$115 billion in assets, got regulatory approval and went ahead on 1 March. Size will become increasingly important as more competitors enter the life insurance market, said David Sams, former president and chief executive of Connecticut Mutual and chief operating...

...Fondiaria and the country's biggest retail bank, San Paolo di Torino. Events in the insurance sector for the year are further discussed.

**TEXT:**

Last year was a turbulent one for the life insurance industry. Aine Coffey looks back at some of the key developments

NINETEEN-NINETY SIX was...

...rife with speculation about mergers and acquisitions. Serious new players made inroads into the life insurance business and insurers, anxious not to be left behind, looked further outside their traditional areas...  
And competition was not the only factor driving change, as persistent media coverage of misselling scandals underlined that the consumer voice will not go away.

**Mergers & acquisitions**

Insurance sector merger of the year - some said of the century - was undoubtedly that of French groups AXA and UAP, announced in November (see LII 86). This created Europe's largest insurance group and the world's

Robert Finley

second-largest insurer, with annual turnover based on 1995 figures...

...FFr313 billion (\$60.2 billion). The deal came towards the end of a year when insurance circles were alive with talk of super-players. A generation of mega-providers in the...

...of the executive board of Fortis Netherlands, told the July annual seminar of the International Insurance Society (see LII 83).

Dutch insurer AEGON opened and closed 1996 in the headlines for...

...Bank after nearly eight months' wait in a bidding battle for Norway's second-largest insurance group Vital (see LII 77). December saw it make the biggest US life insurance buy ever, with the acquisition of Providian (see page 1).

A strong emphasis on profit...

...key to AEGON's success over the past decade, chief executive Kees Storm told Life Insurance International in August (see LII 84). Its policy is to maximise profitability of core activities...

...the UK, March 1996 saw the announcement of one of the market's biggest life insurance acquisitions ever, the takeover of mutual insurer Clerical Medical by Halifax, the country's largest...

...see LII 78).

Merger of the year in the market came shortly afterwards, when Royal Insurance and Sun Alliance merged to form Royal Sun Alliance, moving into sixth place in the...

...at Clerical Medical when it was up for sale, co-chairman Maurice Lippens told Life Insurance International (see LII 80).

The group, which is interested in buying banks and insurance companies in Europe and the US, is keen to crack the UK life market, he...

...Capital in August bought First Colony of Lynchburg, Virginia, and its subsidiary, American Mayflower Life Insurance of New York for the premium price of \$1.8 billion (see LII 84).

The...

...7 billion. And August also saw the completion of the biggest merger in US life insurance history until Aegon's recent Providian buy, the merger of New England Mutual Life Insurance Company into the Metropolitan Life Insurance Company.

This created a company with combined assets under management of \$275 billion, making it the US's third-biggest money manager and leading seller of insurance to individuals.

The second-biggest merger in US life insurance history - that between Connecticut Mutual and Mass Mutual, which created a company with \$115 billion in assets, got regulatory approval and went ahead on 1 March (see LII 78).

Size will become increasingly important as more competitors enter the life insurance market, said David Sams, former president and chief executive of Connecticut Mutual and chief operating...

...to be as big and as strong as we possibly can be," he told Life Insurance International.

Not all alliances are made in heaven, of course. Last year saw Italian insurer...

...New players

Among the new competitors that could mount a serious challenge to traditional life **insurance** companies are retailers. In the UK, for example, supermarket chain ASDA, which is rumoured to...

...the most talked about of the direct providers, others too were thinking about selling life **insurance** and pensions over the telephone.

Direct selling

Other new entrants to the UK direct life...

...Life, which launched a pensions by phone service (see LII 85). Colonial Direct, the direct **insurance** arm of Colonial group, launched Pensions Direct on 23 April.

After piloting direct selling of life **insurance** and pensions for a year, Legal & General launched the operation officially during the summer from...

...market's first direct insurer, announced that it was pulling out of the direct life **insurance** advice market, after testing it for 15 months (see LII 84). The group merged Direct...

...and began to offer a simpler line of products, mortgage protection, fixed-term cover and **disability** cover.

Direct Line since acquired a joint venture partner, Scottish Widows, when its parent company...

...this might open up new opportunities for the direct insurer (see LII 86).

Selling life **insurance** by phone also caught on elsewhere in Europe. In January, Swiss insurer Winterthur launched its direct operation, Swissline (see LII 80). In Germany it is selling life **insurance** through Delfin Direkt (see LII 80).

Germany's first direct bank, Advance Bank, started selling unit-linked life **insurance** (see LII 85). Barclays Vida became the first Spanish life insurer to experiment with direct...

...product, Tendravie, aimed at parents of young children (see LII 85).

In the US, discount broker Charles Schwab of San Francisco announced that it would begin direct marketing life **insurance** (see LII 81).

Allfinanz

Among the more notable allfinanz developments of 1996 was the push...

...that of the market's biggest insurer, Prudential.

On 25 September Prudential began to offer deposit accounts and mortgages through its direct salesforce and by telephone and mail.

"We're the first **insurance** company of any significant size to take such a serious step and we're going..."

...on 17 October. The insurer does not have a banking licence but is offering a deposit account with the banking done by Bank of Scotland.

Another mutual, Scottish Widows, which was the...

...on their structural advantages. UK allfinanz could be described as a

Robert Finley

failure, the 7th Life Insurance International Conference was told by Ken Bignall, consultant International Retail Banking Council and chairman of...  
...81).

Banks failed to give a good customer offer, failed to invest properly in the insurance business and failed to take advantage of a growing savings market, Bignall said."Successful allfinanz...

...1996 was the year when the Supreme Court removed the last obstacle to their selling insurance . In March it ruled in favour of Florida-based super-regional Barnett Bank that state law could not overrule the National Bank Act allowing banks to sell insurance nationally from small towns. The McCarran-Ferguson Act establishing the primacy of state regulation only applied where federal regulation might inadvertently affect insurance and not where it was explicit on the subject, the court ruled.

But Canadian banks...

...government revealed in March that it did not plan to extend banks' powers to sell insurance through their branches (see LII 79). In response, Toronto Dominion announced that it would follow...

...its rival, Canadian Imperial Bank of Commerce, and set up a subsidiary to sell life insurance over the telephone.

New markets, new businesses

Mindful of increasing competition, insurers have been looking...

...LII 82).

In the UK, the media was stirred up by a House of Commons Social Security Committee Report contending that unfunded pension liabilities could even threaten the single currency (see LII 86)  
Italy took its first steps last January towards introducing private pensions (see LII 77). One year on, it is gearing up for business (see page...

...pension funds (see LII 87).

German life insurers lobbied against proposed tax changes that would allow banks and investment funds to cash in on their closely guarded pensions patch (see LII 81).

Insurers were also looking farther afield to under-developed life insurance markets. Many believe China is the big prize for the future (see LII 84). Another...

...of the year was in difficult talks with the US about market access, awarded new insurance licences (see LII 84).

old problems

Life companies' formerly cavalier approach to consumers continued to...

...the review of pensions misselling failed, not surprisingly, to go to plan, the Personal Investment Authority 's first report on the review showed last January (see LII 77). This year's...

...the Bible, she warned.

Trouble was not confined to the UK. In the US, Prudential Insurance was fined \$35 million and ordered to compensate 10.7 million customers in what could...

INDUSTRY NAMES: Insurance  
PRODUCT NAMES: Life insurance (631000)

11/3,K/2 (Item 1 from file: 15)  
DIALOG(R)File 15:ABI/Inform(R)  
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02239317 85624074  
Early retirees under social security : Health status and economic resources  
Leonesio, Michael V; Vaughan, Denton R; Wixon, Bernard  
Social Security Bulletin v63n4 PP: 1-16 2000  
ISSN: 0037-7910 JRNLD CODE: SSB  
WORD COUNT: 8762

Early retirees under social security : Health status and economic resources

DESCRIPTORS: Social security ;

ABSTRACT: Policies that would reduce or eliminate Social Security benefits for early retirees could have adverse consequences for older workers in poor health. This article...

...limits work among early retirees and assesses the extent to which curtailment of early retirement benefits might lead to increases in the Disability Insurance program rolls.

TEXT: Policies that would reduce or eliminate Social Security benefits for early retirees could have adverse consequences for older workers in poor health. This article...

...limits work among early retirees and assesses the extent to which curtailment of early retirement benefits might lead to increases in the Disability Insurance program rolls.

#### Summary

Some proposals to change the Social Security program to ensure long-run solvency would reduce or eliminate benefits for early retirees. This article documents the health and financial resources of Old-Age and Survivors Insurance (OASI) beneficiaries aged 62-64. It identifies a substantial minority of early retirees who might...

...limits work in this age group and the extent to which curtailment of early OASI benefits might lead to increases in the Disability Insurance (DI) program rolls.

Using a set of comprehensive health measures, we estimate that over 20...

...This finding implies that in this age range, as many severely disabled persons receive OASI benefits as disability benefits . In fact, 12 percent of early beneficiaries would meet a more stringent criterion for being classified "disabled"-SSA's medical standard for disability benefits . The evidence therefore indicates that OASI functions as a substantial, albeit unofficial, disability program for early retirees.

Compared with those who have no health problems or are less severely impaired, early OASI beneficiaries who meet the medical criteria for disability benefits are more likely to be living alone and more likely to be poor or "near..."

...histories suggests that most of these beneficiaries do not satisfy the insured-status requirements for Disability Insurance benefits .

The article considers the different roles of the OASI program and the DI program for health-impaired individuals aged 62-64. Disability modelers sometimes overlook an important aspect of program administration. Under customary screening procedures implemented in Social Security field offices, applicants for early OASI benefits who appear to be severely impaired simultaneously apply for DI benefits if they are disability insured. If they are found eligible for DI benefits, those applicants become DI beneficiaries. The implication is that raising the earliest entitlement age would...

...not serve as a safety net for many of the most severely disabled early retirees.

Social Security's Old-Age and Survivors Insurance (OASI) program faces long-run insolvency. Suggested remedies entail various combinations of program modifications that either reduce promised benefits or add to program revenues. Among the most frequently proposed changes are increases in the...

...retirement age (NRA), currently 65 plus 2 months, would promote longer work lives, thereby increasing Social Security revenues by the amount of the additional payroll taxes collected.<sup>1</sup> This article focuses primarily ...

...late as the 1970s, 65 was by far the most popular age to become a Social Security retired-worker beneficiary. Since 1961, insured workers have been permitted to receive benefits before reaching the NRA-specifically, as early as age 62, the EEA. During the ensuing decades, the average age of first receipt of Social Security retired-worker benefits has declined markedly, with entitlement at age 62 now elected by 60 percent of eligible workers.<sup>2</sup> Until 2000, the individual's monthly benefit amount (MBA) was reduced by 5/9 of 1 percent for each month before the NRA that benefits were received. For example, a retired worker who began receiving benefits at age 62 received 80 percent of the full benefit that would have been paid at age 65. Starting in 2000, when the NRA began...

...36 months. Therefore, when the NRA is 67, entitlement at age 62 will reduce the benefit paid to 70 percent of the full benefit payable at the NRA.

The adjustment for early benefit receipt is thought to be approximately actuarially fair. So, for many workers, the financial incentive...

...because changes in the timing of entitlement would not alter the expected value of lifetime benefits received. Nevertheless, the EEA might encourage earlier retirement in two situations. First, for anyone with a shorter-than-average life expectancy, early receipt of benefits increases the expected value of lifetime benefits. Second, workers with insufficient liquid assets to finance retirement might be induced to retire when Social Security benefits are first available. Social Security's EEA provision affords those workers an opportunity to leave the labor market earlier than...

...example, poor health) would like to retire but lack the means to do so without Social Security benefits. Benefit entitlement at age 62 is now so prevalent that some observers suggest that raising the...

...concern raises a number of related questions. How many individuals opt for early receipt of Social Security benefits because of health problems that limit or prevent work? Would the program changes cause hardship for low-income individuals who could not afford to retire without the availability of Social Security benefits? Would the changes have comparatively larger adverse consequences for population subgroups such as

specific racial or ethnic groups, unmarried women, or individuals in physically demanding occupations? Would Disability Insurance (DI) costs increase in response to a higher retirement age as persons with health problems who previously simply retired early now applied for disability benefits, thereby offsetting some of the desired savings in OASI expenditures? And how many severely impaired...

...for the analysis is the 1990 Survey of Income and Program Participation (SIPP), a nationally representative survey of the civilian, noninstitutionalized U.S. population conducted by the Census Bureau. The 1990...

...batteries of supplemental questions (Topical Modules) were asked about health status, functional limitations, and work disability. We have added data from the Social Security Administration's (SSA's) records on earnings, benefits, and disability claims to the respondents' survey information.<sup>3</sup> The resulting restricted-access data file (1,090 observations) permits us to examine characteristics of older persons categorized by Social Security program status.<sup>4</sup>

The Social Security Administration's interest in how older workers are affected by program changes that would prolong...

...Retirement Study. They compare the health and financial assets of two groupsthose who took early benefits and those who did not. The authors find that the great majority of people who take early benefits are in good health, a result that is consistent with the currently established view that...

...to financial incentives. They report that fewer than 10 percent of men who take early benefits are both in poor health and have no source of pension income except Social Security benefits. The comparable figure for women is 20 percent.<sup>5</sup>

In another recent study, Smith (1999...

...using several panels of the SIPP. He, too, concludes that most retirees who take early benefits do not report health problems that limit work, nor do they appear to depend on Social Security benefits to preclude poverty. Exploiting a larger sample than that used by Burkhauser, Couch, and Phillips, Smith finds that about 10 percent of those taking early benefits report both a work disability and an income level that would fall below the poverty line without their Social Security checks.

Using more comprehensive, multivariate health measures than were used in either study, we investigate the relationship between health status and demographic characteristics, income, poverty, assets, and health insurance coverage. Our research emphasizes the diversity in the health and financial circumstances of persons aged 62-64 who were receiving retired-worker, dependent, or survivors benefits in early 1992. A disaggregated approach ensures that the characteristics of the severely impaired minority...

...of the healthier majority. We exploit restricted-access data in two ways. First, the data permit us to compare health/disability groups in terms of lifetime earnings. Second, we examine the financial circumstances of different beneficiary subgroups, allowing us to focus on each subgroup's potential vulnerability to reductions in Social Security income and, to a limited extent, on their eligibility for DI benefits.

Our study confirms that most early OASI beneficiaries do not have a severe health problem...

...beneficiaries who report severe health problems have lower lifetime earnings and are more dependent on Social Security benefits than are

other beneficiaries. Furthermore, those impaired individuals are disproportionately represented among lowerincome beneficiaries in...

...contemporaries. They have smaller amounts of financial assets and are less likely to have health insurance coverage . In general, OASI beneficiaries with the most severe health problems experience the most adverse economic circumstances. We estimate that some of those beneficiaries would qualify for disability benefits under SSA medical criteria, although substantial numbers of those who would qualify medically-most of whom are women-are not insured for disability benefits

#### Health and Beneficiary Status of Persons Aged 62-64: An Overview

The measurement of health...

...practical issues, especially when dealing with a large, heterogeneous population. We use several health and disability measures to assess different levels of impairment severity (see Box 1). First, we make a... wheelchair; use of a cane for 6 months or longer; a developmental, mental, or emotional disability ; difficulty with a functional activity; difficulty with an activity of daily living (ADL); difficulty with...

...statistical model is used to classify persons with impairments that meet SSA's definition of disability , an exacting medical standard that identifies individuals with the most severe impairments.<sup>8</sup> In this...

...at least in terms of conventional activity limitations, the Simulated SSA Disabled are similar to allowed disability applicants.<sup>9</sup> Moreover, as expected, both groups are much more impaired than nonapplicants.

The population...

...those reporting one or more problems, as shown in Table 2. Note that the health/ disability categories are not mutually exclusive; members of the Simulated SSA Disabled group are drawn from...

...of persons aged 62-64 meet our modification of the conventional Census definition of severe disability , and 22 percent have less serious health problems. Hence, more than half of those reporting...

...Because of the policy interest relating to persons in ill health who take early retirement benefits , we crossclassify health categories by beneficiary status (see Table 3). Of the 6.4 million persons aged 62-64, 49 percent receive OASI benefits ; 11 percent receive either DI, SSI/disabled benefits , or both; and 40 percent receive no benefits . Predictably, receipt of DI or SSI benefits is clearly related to health or disability status. Taking into account all three programs, we see that 50 percent of persons with no health problems receive no benefits , although almost 70 percent of those with a health problem are on the OASI/DI...

...the severely disabled and 83 percent of the Simulated SSA Disabled receive OASI/DI/SSI benefits .

A less expected result is the extent to which early retirement under the OASI program...

...severely impaired: almost half of the severely disabled beneficiaries aged 62-64 receive early retirement benefits rather than disability benefits (39 percent versus 40 percent). Moreover, more than one-third of the persons estimated as Simulated SSA Disabled receive OASI benefits . Hence, the early retirement option supports not only those in good health or with less...

...health problems but are not severely disabled, to 65 percent for those with a severe disability , and to 67 percent for the Simulated SSA Disabled.

Table 1.

Table 2.

Table 3...

...a slim majority (53 percent). Nevertheless, women represent 63 percent of those with a severe disability and a clear preponderance of those who meet SSA's medical definition of disability (79 percent). Why are the early beneficiaries we classify as most disabled found to be...fabricators, or laborers).

Other aspects of the work experience of groups differentiated by health and disability status include current, recent, and lifetime measures of earnings in covered employment (see Table 6...).

...early retirees worked in periods preceding the survey. Differences in their earnings activity by health/ disability status are evident. Few who have a severe disability or are Simulated SSA Disabled had average covered earnings above the earnings-test exempt amount...

...long-term work effort, we again find that such efforts are differentiated by health and disability status.

Table 4.

A common pattern emerges from the four measures of earnings and work by health/ disability category. Persons with nonsevere disabilities are similar to those with no health problems, suggesting that...

...women and with published estimates that women aged 62-64 are less likely to be disability insured than men of the same age-about 50 percent versus 80 percent.<sup>12,13</sup>...

...of early OASI beneficiaries who are Simulated SSA Disabled apparently do not qualify for DI benefits because of the "recent work" criterion. That subgroup includes the 51 percent with no employment...

...13 years before the survey. Persons in a second subgroup (31 percent) receive OASI dependent benefits , and a large majority of them do not qualify for DI benefits because they have insufficient quarters of coverage . These findings suggest that many female early beneficiaries with severe health problems may be particularly vulnerable to policies that would curtail early benefits because their work histories suggest that they may not be eligible for DI benefits .<sup>14</sup> Finally, 30 percent of the Simulated SSA Disabled group were denied disability benefits at some point in the past or shortly after the survey.<sup>15</sup> Members of the...

...that relatively few of the Simulated SSA Disabled appear to meet both the medical and insurance criteria for the DI program. That finding contradicts the oftexpressed conjecture that raising the EEA would cause many to switch to disability benefits , resulting in a surge in DI enrollment. To understand this finding, consider an underappreciated sorting process implemented in SSA district offices. Claims representatives are obliged to compare benefits when an applicant is eligible under more than one program, and the applicant is awarded the highest benefit he or she is eligible to receive. In practice, an applicant who is 62-64...

...age and has a serious impairment would typically file two applications-one for early retirement benefits and the other for DI benefits .<sup>16</sup> The applicant would begin receiving (actuarially reduced) early retirement benefits immediately, and if DI benefits were allowed several months later, the applicant would switch to (unreduced) DI benefits . That is, by virtue of their eligibility for early retirement, such applicants are not exposed to the risk of waiting without any

benefits for an uncertain DI award. That opportunity for a "no risk" DI application may explain why we observe few sample members receiving early retirement benefits who are fully eligible to take DI if they become ineligible for early retirement benefits. Thus, any increase in DI enrollment following a rise in the EEA would probably be...

...6). Low lifetime earnings for those who are most impaired often signal substantial dependence on Social Security income in old age. Low lifetime earnings also usually signify limited opportunities to acquire other financial resources for support during old age, such as financial assets and private pensions.

#### Economic Resources of HealthImpaired Early Beneficiaries

The primary policy concern in this investigation is to determine the extent to which health-impaired individuals who apply for early Social Security benefits might be at risk if the EEA or NRA is increased. This section examines four...

...the economic well-being of early beneficiaries: family income and poverty status, financial dependence on Social Security benefits, financial assets, and health insurance coverage.

#### Family Income and Poverty Status

Early OASI beneficiaries with health problems are more likely to...

...as the rates for healthy persons aged 62-64 who receive neither OASDI nor SSI benefits (from unpublished tabulations). The picture for early beneficiaries with health problems is quite different: they...

...Simulated SSA Disabled (13 percent).

Table 7.

In fact, for a substantial minority of early Social Security beneficiaries, impaired health is associated with precarious financial circumstances. Because increases in the EEA or the NRA would eliminate or decrease the benefits of early beneficiaries, we examine the importance of OASI benefits to the economic well-being of their families.

#### Dependence on Social Security Benefits

Social Security often accounts for a substantial share of family income within the OASI beneficiary population. Table...

...several measures of the extent to which groups differentiated by health are financially dependent on Social Security benefits. The results consistently show that the most severely disabled are more dependent on their Social Security benefits. For example, 68 percent of healthy early beneficiaries depend on Social Security benefits for at least a quarter of family income, compared with 82 percent for the most severely disabled group. If we restrict attention to families that depend on Social Security benefits for at least half of their income, the estimates range from 32 percent for those...

...for those estimated to be Simulated SSA Disabled.

As the results in Table 8 suggest, Social Security benefits have a major impact in alleviating poverty. Among persons with no health problems, 19 percent of early beneficiaries would be poor without Social Security benefits. 18 The program's antipoverty role increases as health problems and disability become more severe. Compared with the other groups with a health problem, the Simulated SSA...

...Table 7 indicate that the poverty rate for that group is 25 percent, even with benefits. Without Social Security benefits, the resulting poverty rate would be 61 percent."

Data on the receipt of income from earnings, property, and other sources apart from Social Security are summarized in Table 8. The principal source of other income in this age range...

...early OASI beneficiaries receiving property income and other income (primarily pensions) across the health and disability categories. Property income and pensions represent resources typically accumulated during years of work as insurance against hardship in old age. The high rates of nonreceipt for those income sources among...

...than \$500 in financial assets. To provide some perspective on those figures, the average monthly benefit for a retired worker in the 62-64 age group during the study's reference...

...1992) was \$540.21 Financial assets of that magnitude underscore the probable reliance on OASI benefits. Note, however, that there are many health-impaired early retirees whose financial circumstances are far...with no health problems, with 58 percent reporting holdings of \$25,000 or more.

#### Health Insurance Coverage

Affordable health insurance is a particularly important aspect of financial security for early OASI beneficiaries because 48 percent...

...62-64 are generally not as well off financially as their healthier counterparts, and Medicare coverage is not available until age 65.<sup>22,23</sup> Table 10 shows that 13 percent of those without health problems in this age group are not covered by health insurance. The probability of being uninsured increases somewhat among the health impaired, with the probability being...

...percent to 24 percent), underscoring the economic vulnerability of that segment of the population. Although private -sector insurers dominate in all health categories, the role of public provision increases modestly with ...

...emerges: in this age range, there are as many severely disabled persons who receive OASI benefits as disability benefits. A central message of this study is that OASI functions as a substantial, albeit unofficial, disability program for this age group.

Compared with persons who have no health problems (roughly half...

...financial assets are less than one-fourth as large. Moreover, we estimate that without OASI benefits, the severely disabled would have a poverty rate of 40 percent.

Table 9.

Table 10.

Table 11.

How severe are the impairments of those taking early retirement benefits? When one contrasts the different purposes of the early retirement and disability programs, a natural surmise is that individuals with the most severe impairments are likely to receive disability benefits and that those with less severe impairments are likely to take (actuarially reduced) early retirement benefits. Our findings are not consistent with that view. Although 22 percent of early beneficiaries are...

...percent of early beneficiaries would meet a more exacting criterion-SSA's medical standard for disability benefits.

what do we know about the Simulated SSA Disabled? Compared with other impairment groups, they...

...almost 80 percent-are women. If members of that group were to lose their OASI benefits , their poverty rate would increase to 61 percent. The size of our sample prevents further...

...but we were able to discern important subgroups. One subgroup includes persons taking retired-worker benefits who, according to survey information, have not held a job in many years. Members of that subgroup would not qualify for DI benefits because they do not satisfy the "recent work" criterion. Another subgroup comprises dependent beneficiaries, many of whom also would not qualify for DI benefits . The final subgroup includes persons who were denied disability benefits .

These findings help clarify the relationship between the early retirement program and the DI program. While early retirement represents an unofficial disability program, many of the most severely disabled would not qualify for DI if they were to lose their early retirement benefits . That finding is consistent with the view of program administrators that under customary screening procedures implemented in Social Security field offices, the severely impaired who apply for early OASI benefits also apply for DI benefits if they are disability insured. This practice implies that raising the EEA would have only a modest impact on...FICA taxes. Thus, earnings above the taxable maximum and from noncovered employment are not considered.

**Disability** . Under the Census definition, a person was considered to have a disability if the person met any of the following criteria: (a) used a wheelchair; (b) had...

...ADL; (e) had difficulty with an IADL; or (f) was identified as having a developmental disability or a mental or emotional disability . In addition, a person was considered to have a disability if he or she had a condition that made it difficult to do housework or that limited the kind or amount of work the person could do at a job.

**Disability Insurance (DI) beneficiaries.** Persons receiving a Social Security benefit as a disabled worker, an adult disabled in childhood, or a disabled widow who reported a monthly Social Security benefit in the survey for 1 or more of the 4 months before the wave 7 interview and received one of the specified benefits for December 1991. Type of benefit was identified on the basis of the Master Beneficiary Record Beneficiary Identification Code (BIC). Interviews...

...The value of interestearning assets held at financial institutions, including passbook savings accounts, money-market deposit accounts , certificates of deposit, and interest-earning checking accounts; other interest-earning assets such as money...

...or bills, preparing meals, doing light housework, and using the telephone.

**Old-Age and Survivors Insurance (OASI) beneficiaries.** Persons receiving a Social Security benefit as a retired worker or the dependent or survivor of a retired worker who reported a monthly Social Security benefit in the survey for 1 or more of the 4 months before the wave 7 interview and received one of the specified benefits for December 1991. Type of benefit was identified on the basis of the Master Beneficiary Record Beneficiary Identification Code (BIC). Interviews...

...corresponding thresholds.

**Property income.** Property income includes income from regular (or passbook) savings accounts; moneymarket deposit accounts ; certificates of

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deposit; NOW, Super NOW, or interest-earning checking accounts; money-market funds; U...

...The values are given in Table C-7 in Leonesio, Vaughan, and Wixon (2000).

Severe disability . Under the Census definition, persons were classified as having a severe disability if they (a) used a wheelchair or had used another special aid for 6 months...

...or were covered by Medicare. Such individuals were not included in the definition of severe disability for purposes of this study.

Simulated SSA Disabled. Persons simulated to meet SSA's medical definition of disability . The simulation is based on a statistical model of the relationship between the body of...

...and Program Participation and the outcome of steps 2 through 5 of SSA's sequential disability determination process for applicants identified via exact match between the survey and SSA administrative records...

...Hu and others 2001). Persons were simulated to meet the agency's medical definition of disability irrespective of the substantial gainful activity (SGA) test. Model coefficients were subsequently used to simulate eligibility...

...definition given above.

Supplemental Security Income (SSI) beneficiaries. Persons who reported a federally administered SSI benefit in 1 or ...February through May 1992, with a health problem. Persons who (a) meet the criteria for disability , (b) are reported to be in fair or poor health, or (c) have had at...

...as severely disabled.

#### Notes

1 In addition, increasing the NRA is equivalent to reducing lifetime benefits , at a rate of approximately 7 percent for each year of increase. Under current law, Social Security 's NRA is scheduled to increase starting in 2000 for individuals who attain age 62...

...ages, perhaps eventually indexing it to increases in longevity.

2 This figure excludes individuals receiving benefits under the Disability Insurance (DI) program, who ordinarily convert to retired-worker benefits at the NRA.

3 Data matching for this project occurred under the aegis of Memorandums...

...of Statistical Information and Service between the U.S. Bureau of the Census and the Social Security Administration. All research involving the development and analysis of the matched data set at the Social Security Administration was conducted by Social Security employees or on-site contractors acting as special sworn agents of the Bureau of the Census.

4The resulting sample size limits our ability to analyze...  
...the 0.10 significance level or better. The appendix provides information on sampling errors that allows readers to assess the reasonableness of our findings.

5 Janice Olson (1999) uses information on lags in the benefit application process to question the extent to which Burkhauser and others (1996) distinguish 62-year-olds who took early benefits from those who did not.

6 See Box 1 for a detailed definition of the health and disability categories used here as well as other concepts employed in the study. The appendix provides...

...by Census Bureau practice.

8 We estimate individuals who meet SSA's medical criteria for disability benefits by using a statistical model of the first two levels (initial and reconsideration) of the disability determination process. The model captures the relationship between survey information (including demographic characteristics and self...

...and others 2001; Hu and others 2001; Lahiri, Vaughan, and Wixon 1995). Those who receive disability benefits under DI or SSI are automatically considered medically eligible, even though about 200,000 are...

...estimated as eligible under our statistical model.

9 In the jargon of program administrators, an " allowed " applicant is a disability applicant who has been awarded benefits .

10 Of course, other important factors such as occupational experience, educational attainment, and, in the...

...in covered employment at least 5 of the 10 years before the onset of a disability . If that requirement is met, the individual is said to be disability insured.

13 See the Annual Statistical Supplement to the Social Security Bulletin for 1991, Tables 4.C2 and 4.C5. Note that this gap has narrowed...

...the Annual Statistical Supplement for 1999, 61 percent of women in their early sixties were disability insured, compared with 79 percent of men.

14 We are unable to explore this issue...  
...medical problems. We note, however,

that the size of the published gender differential in the disability -insured rate is three times its standard error, making it unlikely that the discrepancy is...

...to learn whether sample members classified as Simulated SSA Disabled were denied DI or SSI benefits in the 6 years before or the 2 years after the survey interview. The data...early retirement should incorporate the condition that most early retirees are not eligible for DI benefits .

17 Quintiles are computed using the distribution of family incomes for all persons aged 18-64.

18 That is, subtracting OASI benefits from total family income would reduce the family's income below the official poverty line...

...the text's statement is misleading in the sense that in the absence of OASI benefits , individuals and their families might alter their economic behavior and thereby increase other sources of...

...8 merits comment. That is, the percentage of Simulated SSA Disabled kept from poverty by Social Security benefits (36 percent) exceeds the figure for those being kept from poverty or near-poverty (33 percent). The reason is that eliminating Social Security income would cause some individuals to move from the near-poor to poor category.

20 Annual Statistical Supplement to the Social Security Bulletin, 1992, Table 5.A IL

21 Annual Statistical Supplement to the Social Security Bulletin, 1991, Table 5.A 1.

22 Del Bene and Vaughan (1992) consider the joint distribution of income, assets, health insurance coverage, and health status among the aged. Older persons in poor health are likely to have less comprehensive health insurance coverage and fewer economic resources for meeting acute health care needs than their more healthy contemporaries.

23 About 4 percent of early beneficiaries with health problems report Medicare coverage in the SIPP interview, which appears to be anomalous. Respondents may confuse Medicare and Medicaid...

...automatically sent their Medicare card before their 65th birthday, which they might misinterpret as immediate coverage. Closer inspection of the card would reveal that the coverage period has not yet begun. If the anomaly is not the result of Medicare/Medicaid confusion, the fraction of health-impaired early retirees lacking

health insurance would be 3 to 4 percentage points higher, raising the noncoverage rate to 25 percent...

...in waves 2, 3, 6, and 7 of the 1990 panel and have a valid Social Security number. When combined with the effects of attrition after the second interview, the restrictions reduced...

...Variance Estimates for SSA Program Recipients from the 1990 Survey of Income and Program Participation." Social Security Bulletin 56(3):75-87.

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COMPANY NAMES:  
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DESCRIPTORS: Social security ; ...

...Employee benefits ;

ABSTRACT: The Employee Benefit Research Institute (EBRI), a nonpartisan organization with 20 years' experience in objective analysis of administrative...

...employer-based retirement plans, brought its expertise to bear on the issue of administering individual Social Security accounts. One of the major points of EBRI's overview of administrative considerations and trade-offs involving individual accounts (IA) is that, first, adding IAs with investment choice to Social Security could be the largest undertaking in the history of the US financial markets. No system...

...new system and new software. Second, direct comparisons between employment-based retirement savings plans and Social Security reform

proposals are tenuous at best. Credit-based systems such as the current Social Security program are less difficult to administer than cash-based systems, which must account for every...

TEXT: Headnote:

**Individual Social Security Accounts: Issues of Administrative Feasibility and Cost, 1998\***

The Employee Benefit Research Institute (EBRI), a nonpartisan organization with 20 years' experience in objective analysis of administrative...

...employer-based retirement plans, brought its expertise to bear on the issue of administering individual Social Security accounts. One of the major points of EBRI's overview of administrative considerations and trade offs involving individual accounts (IAs) is that, first, adding IAs with investment choice to Social Security could be the largest undertaking in the history of the U.S. financial markets. No...

...new system and new software. Second, direct comparisons between employment-based retirement savings plans and Social Security reform proposals are tenuous at best. Social Security covers a substantial number of workers and businesses that have traditionally not participated in employment...

...Another interesting and seldom recognized fact is that credit-based systems such as the current Social Security program are less difficult to administer than cash-based systems, which must account for every dollar in order to avoid lost retirement income. Moreover, Social Security IAs cannot be administered like 401(k) plans—that is, account contributions each pay period...

...property claims—such as in divorce cases—IAs could pose significant administrative challenges. Finally, IA benefits would be highly sensitive to administrative costs, according to results using the EBRI-SSASIM2 Policy ...

...administrative practices. Today's debate centers largely over whether to add individual investment accounts to Social Security, similar to savings vehicles currently found in the form of employmentbased "defined contribution" retirement plans.<sup>2</sup>

Although adding individual accounts (IAs) to Social Security is a highly political issue, an objective examination of how to administer such accounts raises concerns that cut across ideology. Consider the following:

Social Security policy directly affects 96 percent of the US. work force and their employers every pay period (Committee on Ways and Means 1998).

Over twice as many workers are covered by Social Security as the number of individuals in the United States who own shares in mutual funds (Investment Company Institute 1998). Administering IAs for almost 148 million workers covered by Social Security would be possibly the largest undertaking in the history of the U.S. financial services...

...include at least seven times the number of currently active 401(k) accounts.<sup>3</sup>

Because Social Security is such a large program, dissatisfaction (for example, from over- or under-regulation) with administering...

...could actually be implemented, at what cost, and over what time period.

Uncertainties Abound

Providing Social Security IAs to all covered workers would impose uncertain administrative costs. For instance, uncertainty exists over... employee populations covered under the voluntary employment-based system differ meaningfully from those covered by Social Security .

#### Standard Ongoing Administrative Costs

Ongoing administrative costs usually associated with any kind of IA include ...

...involves documenting activities as proof of compliance with applicable laws and regulations. Administrative costs surrounding benefit distribution involve processing benefit claims, such as for account access upon retirement, job termination, death, or divorce. Participants using...

#### ...Design Largely Determines Expenses

The magnitude of the additional costs for administering two fairly distinct Social Security systems is highly dependent on how IAs are designed. Design details vary across reform plans...

...cost questions and explore many possible answers and implications in the context of the current Social Security debate.

#### Holders and Providers of Recordkeeping for Accounts

One mutual fund industry expert observes that...

...down to one question: who does the recordkeeping?" (Dickson 1998). Proposals have ranged from totally private , totally public, and quasi-public options, creating uncertainty about which system might be enacted ...if assigned the role-or part of the roleof recordkeeper. For example, would competition among private vendors lower administrative service costs, or would competitions8 only increase marketing costs and thereby add...

...administrative expenses?9 Moreover, how would regulations imposed by the government on any IA system- private or public-add to administrative burdens (Heller 1998; Hansard 1998)?10

#### Making Account Contributions and...

...federal income taxes, in regularly scheduled11 lump-sum payments to Federal Reserve Banks or other authorized institutions. Quarterly, via the Form 941,12 employers report to the Internal Revenue Service (IRS... ...ownership. This lag, or "float period," (type 1) between contributions and credits does not affect benefits under the current system because benefits are based on wage credits (a defined benefit ) rather than cash contributions and/or investment returns thereon (a defined contribution). In the absence...

...the way 401(k) plans are operated today. This method is proposed in the Individual Social Security Retirement Accounts Act of 1997 (H.R. 2929),<sup>15</sup> the Savings Account for Every American (S.A.F.E.) Act of 1998 (H.R. 3683),<sup>16</sup> and in the Social Security Solvency Act of 1998 (S. 1792).<sup>17</sup>

With 401(k) plans, employers are required to deposit account contributions soon after contributions are made.<sup>18</sup> However, this requirement would significantly increase administrative expenses...

...the administration of IAs. In 1996, when comments were made to the Pension and Welfare Benefits Administration regarding a proposal to require the deposit of 401(k) plan funds on the...

...not likely to the same degree, if employees and employers could opt out of the Social Security system and instead deposit payroll contributions to employment-based defined contribution plans. However, alternative arrangements...pressures and political risk that prompted proposals for IAs to replace part of the current Social Security system in the first place.

(Chart Omitted)

Captioned as: Chart 1.

(Table Omitted)

Captioned as...

...features such as the frequency of permitted fund transfers between investment options and/or other approved savings plans (that is, rollovers); access to plan and investment information; and the number of...

...lower overall service costs, since more customers take advantage of the services as a result.

**Coverage : Cost and Complexity Determinants**  
**Employment-Based IA Coverage**

Hustead (1996) found that average per-participant administrative costs for private defined contribution plans are correlated with firm size. If such a correlation existed for all plans, then a mandatory system of IAs for Social Security would have very low per-participant costs, as Social Security covers nearly 148 million workers. However, the types of economies of scale that appear to...

...important distinguishing feature of the employment-based retirement system is its voluntary nature, resulting in coverage bias. For instance, to hold down costs, employment-based retirement plans generally exclude workers who...

...60 percent of those with incomes between \$20,000 and \$25,000 a year (Employee Benefit Research Institute 1997). Lower incomes translate into fewer contributions to a defined contribution plan relative...

...financial service provider to recoup its start-up costs on the account (Dickson 1998).<sup>30</sup>

**Social Security IA Coverage**

In contrast to the voluntary, employment-based system, Social Security coverage is almost universal, and no one has proposed placing participation restrictions on IAs.<sup>31</sup> Unlike...

...example, IA participants would have lower earnings: In 1996, 46 percent of workers covered by Social Security had annual incomes of \$15,000 or less, while persons earning less than \$15,000...

...k) type of plan).

Some policymakers and researchers dismiss the significance of the proportion of Social Security participants with low earnings by arguing that covering low earners is not administratively costly in...

...ones who earn small amounts.

In addition to having lower earnings, the population covered by Social Security IAs would likely be more mobile than those covered by the employment-based retirement system...

...over 220 million W-2 reports for just 132 million workers in 1993, suggesting that Social Security covers many workers holding multiple jobs or changing jobs over the course of a year...

...size firms to offer any kind of voluntary retirement plan, including defined contribution plans (Employee Benefit Research Institute 1997). By comparison, like Social Security today, universal participation in IAs would affect virtually all employers, including those with fewer employees.<sup>34</sup> For example, 14 million self-employed individuals report wages to the Social Security Administration (SSA); 37 percent of the 6.5 million employers reporting wages to SSA (excluding...

...fewer workers; and 23 percent (1.5 million employers) have only one employee (U.S. Social Security Administration 1998, unpublished data).

(Chart Omitted)

Captioned as: Chart 2.

Implications for the cost of...

...be slower and more error-prone than if small employers were excluded, all else equal.

#### Benefit Payments

Benefits can be paid from an employment-based retirement plan in a number of ways. Employers...

...participants can use lump-sum distributions from an employment-based retirement plan to purchase a private annuity or to open a bank account that permits timed withdrawals (the amount of which are usually based on life expectancy and account balance). Alternatively, benefits can be paid in lump sums to retirees, or in preretirement lump sums as a result of property division upon divorce. Costs vary across and within these benefit distribution methods (for example, annuities with more features may cost more, or variation in fees...

...that the cost of a government-provided annuity would differ from one purchased through the private markets. In addition, recordkeeping and distribution costs would be affected by such issues as whether...

...into other qualified retirement plans, whether they would be considered inheritable wealth, and whether spousal consent is required for distributions.<sup>35</sup>

Another large factor in IA benefit distribution costs would be how very small account balances are handled before a participant reaches retirement age. Today, employers sponsoring retirement plans are allowed to "cashout" retirement account balances of \$5,000 or less upon employee termination. This means...

...hold accounts less than \$5,000 whenever a worker leaves, resulting in lower administrative cost-to-benefit ratios in employment-based plans than would otherwise be the case if employers had to hold small accounts indefinitely.

If small Social Security IA balances for persons who leave the labor force were not able to be cashed...

...issue account statements and educational materials would need to constantly keep track of those persons. Social Security does not currently keep up-to-date address information on every working-age person, or...

...small accounts pay lower investment management fees.<sup>36</sup> If flat fees were applied to all Social Security IAs, these fees would disproportionately

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affect those with smaller account balances, which would raise issues...  
...percentage of annual account assets.<sup>39</sup> However, this percentage approach, especially in a system using private administrators, raises the possibility that larger account holders would be courted by investment firms, because...

...subsidize the expense of plan administration. Regulation of Accounts

Whether IAs are administered in the private or public sector, the government would likely become actively involved in the regulation of IAs  
...retirement accounts, some speculate all the more regulation would be built around a mandatory individual Social Security system. The reasoning is that if the government forces people to save through these accounts...

...may impose a "conjectural liability," inasmuch as the government would feel obligated to provide retirement benefits in the event of a market downturn or, presumably, in the event of real or...

...received a negative rate of return (Shah 1998). By involving itself in the supervision of private account activity, the government creates for itself some liability if "these funds fail to yield..."

...the analysis with the EBRI-SSASIM243 model presented later, administrative costs are explicitly subtracted from Social Security benefits . While this could be the case in practice, administrative costs could also be imposed on...

...second-order effects, but are instead based on the assumption that administrative costs directly reduce benefits obtained through the Social Security program. This was the only way to make administrative costs explicit.

The analysis below also assumes that administrative costs cut directly into fixed benefits . But in reality, a positive correlation sometimes exists between returns and administrative costs; that is...

...1998).

In other cases, however, there is more of an interplay between administrative costs and benefits (Patterson 1998). The possibility of administrative costs increasing benefits was not modeled, because administrative detail sufficient to assess any positive effect is lacking under...

...Moreover, even if administrative details were spelled out, estimation of administrative costs' positive effects on benefits would be highly speculative. For example, if these costs paid for investment education, how effective...

...offset their own costs.

Also, even if additional administrative costs were not offset by higher benefits , they might still be desirable. For example, the current Social Security system has been criticized as keeping its administrative costs low because it does not provide enough services for beneficiaries (Myers 1993). In each Social Security system, trade-offs exist between services and costs (Mitchell 1996).

#### Individual Account Balances

Because administrative costs under a system of individual Social Security accounts are largely uncertain for the reasons delineated earlier, table 2 presents benefit effects under a range of administrative costs (including annuity costs). Results are presented for workers...begin in the year 1998 (table 2). Hence, workers born in 1946 contribute to individual Social Security accounts for 10 years (from ages 52-62), and

workers born in 1960 participate for...

...assumed to be converted into real single life annuities (that is, indexed annuities that pay **benefits** to one recipient) that provide monthly payments for life.

The fact that workers born in...

...2026.46 This is also the reason why the difference between real (inflation-adjusted) annual **benefits** under the high and low administrative cost assumptions for these birth cohorts is lower than those for workers born in 1976 and after. While IA **benefits** for workers born in 1946 are simulated to be 22- to 24-percent lower on average under high administrative cost assumptions, their 1960 counterparts could experience 32percent lower **benefits**. In comparison, workers born in 1976 and 2026 would receive 40- to 42-percent lower **benefits** under high administrative cost assumptions than under low-cost assumptions.

As the 40- to 42...

...earning male born in 1976, the high versus low administrative costs translate into annual annuity **benefits** of \$4,970 versus \$2,982-a \$1,988 difference annually. For his 2026 counterpart, administrative cost differences could result in a \$7,872 or \$4,673 annual **benefit** -a \$3,199 difference.<sup>47</sup> Hence, IA **benefits** seem highly sensitive to administrative costs.

#### Policy Implications

Despite their importance, administrative details about how individual **Social Security** accounts would operate have been largely unaddressed by a majority of IA proponents. Even when...

...analysis has shown, administrative cost variations can create differences of thousands of dollars in annual **benefits**, even under an individual **Social Security** account system based on just a 2-percent annual salary contribution. Once proponents develop their...

...administrative feasibility and costs should be researched in detail. Administrative costs and options for individual **Social Security** accounts will require separate analysis that cannot be obtained simply by looking at the experiences...

...plans. Highly detailed input from professional recordkeepers and technology professionals in both the government and **private** sectors, with multiple levels of expertise, must be obtained. Until this type of research is gathered, broad claims about the overall administrative feasibility or unfeasibility, efficiency or inefficiency of individual **Social Security** accounts will continue to largely reflect opinion and political desires, rather than substantive fact.

(Table...

...the authors, Kelly A. Olsen and Dallas L. Salisbury, both were associates at the Employee Benefit Research Institute (EBRI). Dallas Salisbury is still with EBRI, while Kelly Olsen is currently with the **Social Security** Administration's Office of Policy, Office of Retirement Policy.

Footnote:

Notes

Footnote:

1Patton and Sawicki...

...defined contribution plans, account contributions are placed in IAs according to a predefined formula. Individual benefits are equal to account contributions and investment returns thereon (Allen et al. 1997). The 401...

...Footnote:

4 Despite substantial dissatisfaction among certain groups with projected low moneys-worth returns on Social Security contributions, general opinion surveys suggest that the public's dissatisfaction with the current Social Security system is based on lack of confidence in the system's ability to provide future benefits , rather than a lack of support for the system in general (Upston 1998). Dissatisfaction with the administration of an IA system could undermine support and/or confidence in Social Security , depending on the extent to which overor under-regulation inconvenienced or cost households, employers, or financial service providers.

5 For an overview of issues under the current Social Security system that are giving rise to interest in individual Social Security account reform, see Olsen and VanDerhei (1996).

6 Employers must perform tests and paper work...McGough (1998).

9 For example, IA marketing expenses have been of concern in the Chilean Social Security system (Shah 1997).

Footnote:

10 One reporter writes, "Some experts wonder if the [financial services...  
...withhold federal income tax from employee compensation and are subject to withholding and payment of Social Security and/or Medicare taxes are required to file Form 941 (O'Toole 1998). For a...

...employee's wages is deducted by the employer and paid to the employee's individual Social Security retirement account within 10 business days after the date of payment of such wages . . . The...

...employed by a minority of the approximately 6.5 million U.S. employers (U.S. Social Security Administration 1998; unpublished), it stands to reason that a majority of employers do not offer...

...taxpayers with a year-end tax credit, which they would have to invest in their Social Security accounts. Since the government would keep the money until this time, a float period would...

...acts as intermediaries, as is the case in Chile. There, individual workers interact with collection agents directly to transmit funds.

25 H.R. 3456, the Personal Retirement Savings Account Act of...

...up costs" (Dickson 1998).

Footnote:

31 For a description of workers who are exempt from Social Security participation, see Myers (1993), pp. 33-47.

...48-49.

34 Almost every kind of employment is required to include participation in the Social Security program (Myers 1993). Some state and local employers who opted out of the program have been allowed to stay out, though many reform proposals would change this (Olsen 1996).

Footnote:

35 See...

...Education of Consumers" regarding variation in annuity pricing among identical products.

36 See **Pension and Benefits Reporter** (1998) for a discussion of spousal consent falsification on TSP loans for an idea of compliance issues that might arise under an individual Social Security account system requiring spousal consent for distributions.

37 The Social Security program needs to keep track of participants' addresses only when they are beneficiaries, not over their entire lives. Presumably, individuals receiving regular Social Security checks have a greater incentive to keep the administration abreast of their current information. However...

...in Burns (1998).

42 For a discussion of the challenge of explaining the basics of benefits under the current Social Security program, see U.S. General Accounting Office (1996b).

43 For background on the model, see...

...of this comparison.

45 Plans such as the IA plan, offered by the 1994-96 Social Security Advisory Council (SSAC); H.R. 4256 (sponsored by Reps. Jim Kolbe (R-AZ), Charles Stenholm...).

...cohort and 7.00 percent for those born in 2026.

47 The differences in dollar benefits are attributable to real wage growth between the generations, as Social Security initial defined benefit calculations take into account real wage growth.

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11/3,K/4 (Item 3 from file: 15)  
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01746699 03-97689  
Final regulations published on EFT '99  
Golliher, Ken  
Texas Banking v87n12 PP: 24 Dec 1998  
ISSN: 0885-6907 JRNL CODE: TXB  
WORD COUNT: 490

DESCRIPTORS: Electronic benefits transfer...

... Deposit accounts

...ABSTRACT: payment by electronic funds transfer would impose a hardship  
due to a physical or mental disability or a geographic, language or  
literacy barrier, or would impose a financial hardship.  
...TEXT: payment by electronic funds transfer would impose a hardship due  
to a physical or mental disability or a geographic, language or literacy  
barrier, or would impose a financial hardship.

In short...

...who sell services or products to the government.)  
For example, current and future recipients of Social Security benefits  
may continue receiving their payments by check. (Currently, 85 percent of  
new Social Security recipients voluntarily elect to receive their  
benefits by EFT.)

Those pleased by the waiver include consumer groups who felt forcing some  
individuals...

...As for the ETASM, those eligible for the account are individuals who  
receive a federal benefit , wage, salary, or retirement payment. However,  
the regulations clearly indicate that financial institutions are not...

...legal relationship with the Department of the Treasury - they will be  
classified as the "Financial Agent " and the account terms will be  
controlled by Treasury. For example, a "Financial Agency Agreement..."

11/3,K/5 (Item 4 from file: 15)  
DIALOG(R)File 15:ABI/Inform(R)  
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01726839 03-77829  
In the wake of the correction  
Smith, Brian  
America's Community Banker v7n10 PP: 42-43+ Oct 1998  
ISSN: 1082-7919 JRNL CODE: SLN

Robert Finley

WORD COUNT: 2398

...ABSTRACT: useful to be able to help them figure out where they are with their likely Social Security income and start from there.  
...TEXT: stock market over the last 25 years, fewer and fewer dollars have flowed back into deposit accounts.

Obviously, no one knows exactly how sustained the correction will be that finally signals the...

...or three years could, for example, have a major impact on the outcome of the Social Security reform debate. Getting apiece, maybe as much as a fifth, of the joint employer/employee 15.3 percent Federal Insurance Contributions Act (FICA) tax bite looked pretty good to the public when we could all...

...the lamentable savings rate in the United States.

But the debate over possible changes to Social Security does focus attention on the ever-growing rate of contractual, retirement-related savings and the...

...terms than of late. Institutions must offer a wider range of investment products than just deposit accounts within their IRA program or this market will simply pass them by.

Certainly even housing...and their counterparts in the mutual fund business like Fidelity Investments of Boston (and in insurance John Hancock Mutual Life Insurance Co. of Boston,) have seized the lion's share of employersponsored retirement funds management, community...

...value that can facilitate a brandstretch into consumer financial planning.

Most progressive depositories themselves offer insurance and annuity "wrap" products, while a growing fraction also accommodate mutual fund sales (and even...).

...officers into licensed National Association of Securities Dealers (NASD) Series 6 and 7 securities and insurance personnel without being held ransom over compensation or suffering steady attrition as these upgraded personnel...

...ship to brokerage firms.

In fact, it is not all that difficult for the account representative to pick up certified financial planner (CFP) and enrolled agent (tax return qualification) status as well. With staff holding these designations, as well as registered...

...a high percentage of the typical customer base.

It is quite easy to find a third - party provider to offer the technology, compliance and continuing education support that is needed for the...

...status for the qualified institution staff (so that their licenses are technically "parked" with the third - party provider), with the institution having a buy-out option to absorb the entire operation. Access to customer portfolio trading and accounting software from a third - party provider is indeed valuable since developing or buying such systems can be expensive for a...

...useful to be able to help them figure out where they are with their likely Social Security income and start from there.

This is actually a bit more complicated than one might think. The Social

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Security Administration (SSA) will helpfully provide a PEBES (Personal Earnings and Benefits Estimated Statement) on demand, or rather with about a four-week delay. There is also...

...stay the same. Even with FICA tax rates well above those needed to buy current benefits , actuarial estimates of the various advisory commissions and the SSA predict that system revenues, by...

...to give.

Here's a personal take on this author's own PEBES: The projected Social Security monthly check is just over \$1,800 on the implicit assumption of relatively modest inflation rates. That gives an annual Social Security income of \$22,000. We can "haircut" that by 25 percent right away because we...

...suppose that the haircut will be higher at the top end of the spectrum of Social Security monthly checks, which this PEBES certainly is.

Thus, to be conservative, cut the number back...haircut closest to the one-third level-since it isn't necessary to whack the benefit as much when raising the retirement age-and maybe a couple of thousand more dollars annually could go into a personalized Social Security 401 (k) type account. Either way, Social Security is a base but not a very thick one for retirement income.

Explaining this type...

...to be thinking about retirement but young enough not to be able to rely on Social Security rules staying the same for their age bracket. Combine this with a "required savings" schedule...

...get to the target, he or she becomes a natural, once 401(k) and IRA disability is extended, for wrap products to access tax deferral benefits . Since the traditional marketing system for insurance is so inefficient, it isn't hard to come inside those profit-plus-commission margins...

11/3,K/6 (Item 5 from file: 15)  
DIALOG(R)File 15:ABI/Inform(R)  
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01557254 02-08243  
An IRA compliance checkup  
Berghuis, Todd J  
ABA Bank Compliance v18n11 PP: 33-43 Nov/Dec 1997  
ISSN: 0887-0187 JRNL CODE: BCP  
WORD COUNT: 5987

...ABSTRACT: the rules governing these accounts. IRAs face all the same compliance issues that any other deposit account raises, with the addition of Internal Revenue Service (IRS) requirements. The compliance issues that relates...

...TEXT: the rules governing these accounts.

IRAs face all the same compliance issues that any other deposit account raises, with the addition of Internal Revenue Service (IRS) requirements. This article will aid you...

...take the form of an oral discussion with the employees in the bank who are authorized to handle revocations. Be aware that, when a bank employee's name appears on the IRA application in the "revocation" or signa ie section, it means that the employee is authorized to dI with revocations. The employees who sign the forms must be familiar with the...

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...every IRA. Execution of an IRA plan requires both parties, the accountholder and a bank representative , to sign the document. Check to ensure that the plan was the most up-to...been documented with a distribution or withdrawal form. The amount, reason, date, and name and social security number of the recipient of the distribution must be documented. Again, IRS auditors will look...

...the IRS require additional documentation. If the distribution is made due to the accountholder's disability , an IRS Schedule R should be obtained from the accountholder. In the event of a...Customer Statements The IRA custodian/trustee must furnish each accountholder, certain beneficiaries, and the personal representatives of deceased IRA accountholders with the December 31 Fair Market Value (FMV) of their IRA...

...of death, the year-end FMV statement must be provided to the decedent's (estate) representatives by the following January 31. The FMV can be either the date-of-death FMV or...

...include a statement or notice that the date-of-death FMV is available to the estate representatives upon request. If you should receive such a request, you must comply within 90 days.

The year-end statement is in the name of the deceased, using the Social Security number of the deceased.

Also, for the year the accountholder dies, one Form 5498 must...

...be reported on this Form 5498. The 5498 must also be in the name and Social Security number of the deceased IRA accountholder.

In addition, a year-end FMV statement must be...

...separate 5498 for each plan agreement maintained. Because many computer systems generate reports based on Social Security numbers, this presents a large potential problem. It is not permissible to aggregate all IRA accounts held under one Social Security number onto one 5498. The relevant IRS language is as follows:

An IRA includes all...only for this exception. Use code 3 or 4 for an early distribution due to disability or death. This is the code to use for distributions that are part of substantially equal periodic payments made over the life expectancy of the individual or the joint life expectancy of the participant and his or her designated beneficiary.

Disability . Disability exists when a person is permanently and totally disabled and cannot engage in any substantially gainful activity because of a physical or mental condition. A physician must determine that the disability exists, has lasted or can be expected to last continuously for at least a year...

...can be expected to lead to death. Use the IRS Schedule R to verify the disability .

Death. This code is used to indicate a payment to a beneficiary. Prohibited transaction. If...

...organized the material was, the easier it was to work through any problems with IRS representatives . The second advantage of well organized files is that they will help you ensure future...and his BA from Concordia College, Moorhead, Minnesota, in 1982. He worked for Lutheran Brotherhood Insurance Company upon graduation and, in 1987, joined Collin W. Fritz & Associates, Ltd., a pension consulting...

...education division and is also responsible for the firm's pension, profitsharing, and 401 (k) third - party administrative services. He has conducted hundreds of IRA and qualified plan seminars for state bankers

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associations, bank holding companies, estate planning groups, and the insurance industry.

11/3,K/7 (Item 6 from file: 15)  
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01538975 01-89963  
EFT '99  
Merrick, Bill  
Credit Union Magazine v63n11 PP: 42-47 Nov 1997  
ISSN: 0011-1066 JRNLD CODE: CUG  
WORD COUNT: 1943

...TEXT: Rio, Texas, is taking to win the hearts, minds-and direct deposits-of members receiving Social Security , pension, welfare, and other federal payments.

Offering members free breakfast for two at a local...

...proposal.

Recipients who certify that electronic payment would present a hardship because of a physical disability , geographic barrier, or financial hardship would be eligible for waivers.

CUNA & Affiliates has been working...  
...until Dec. 16.

Treasury will request bids from interested financial institutions to serve as designated agents that would provide electronic transfer accounts to recipients without traditional deposit accounts . Bidders also might be requested to submit bids on alternative account structures. Recipients likely would...

...deposits within the basic monthly service charge?

Should the account provide for some number of third - party payments, such as payments for rent or utility bills? If so, how many should be allowed and how should they be priced?

Should the account include a savings feature? How would...

...by the financial institution providing the account? For example, should arrangements be permitted under which third parties could offer other ways for recipients to withdraw funds from their accounts? If yes, should through arrangements with third parties , should the cost of this additional access be included in the pricing proposal in the...  
...neutral clearing entity for EFT '99 debit card transactions. "Otherwise, depository institutions serving as financial agents to implement the new EFT '99 access system can refuse to exchange or share card..."

...credit unions could play a vital role in helping to provide electronic delivery of government benefits , CUNA maintains. Border Federal and other credit unions are proof. Although initial response to the...

...could credit payments to participating credit unions' Fed accounts.

Treasury could grant credit unions the authority to offer services to recipients outside traditional fields of membership.

"CUNA has offered to work...

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Pension problems and proposals for future reform in Japan

Murakami, Kiyoshi

Benefits & Compensation International v26n8 PP: 14-21 Apr 1997

ISSN: 0268-764X JRNL CODE: BEI

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...DESCRIPTORS: Social security ;

...ABSTRACT: changes were made in the public pension system. The new scheme is 2-tiered. Future social security pension issues include pensions for women and the unification of public-sector pension schemes. Nearly 100% of employees are covered by lump-sum severance and retirement benefits provided by employers. In recent years, Japanese interest rates have been extremely low, which has...

...ways. Employees' pension funds (TPF), or contracted-out schemes, have suffered most, especially on equivalent benefits . Other issues concerning private pension plans include: 1. inequitable tax rules for tax-qualified pensions and EPFs, 2. benefit protection programs, and 3. defined benefit vs. defined contribution. Several proposals for reform are presented.

...TEXT: to salary increases. As a result, salary increases in recent years have been quite low. SOCIAL SECURITY PENSIONS

Reduction in Old-Age Pensions (1986 Reform) At the time of rapid economic progress...

...election years. A typical newspaper headline was, "Towards a welfare state, low costs and high benefits !". This was possible then, because our State pension system was quite immature at that time...

...the very senior, were supported within the traditional family system.

As time goes by, the benefit payments system is gradually becoming more mature. Employees retire on higher benefits , because of longer periods of covered service. However, contributions increase every five years, which cuts...

...In the first place, these were structural. Before the revision, separate schemes existed for: (a) private -sector employees, (b) public-sector employees, and  
(c) the rest of the population aged 20...

...for employees only and pays an earnings-related pension.

Another reform was the reduction of benefits . Old-age pensions, along with disability and survivors' pensions, were reduced to about 70% of previous levels. This reduction is being...

...2 consists of employees, who pay earnings-related contributions, shared equally between employer and employee. Benefits , both flat-rate amounts and earnings related, are payable from age 60. Class 3 consists of the dependent spouses of employees, where no contribution is required. The benefit is a basic pension or a flat-rate amount payable at age 65. Class 1...

...but also the non-employed and students. The contribution is a flatrate amount and the benefit is just a basic pension. Those with no income or a limited income are exempt from contributing and their benefit is reduced to one-third. Increasing Pension Age for Employees (1994 Reform) Another

radical reform...

...be fixed by 2001. My guess is that it will be around 70% of the benefit payable at 65. After 2013, if a pension (the earnings-related pension plus the reduced...

...were included in the 1994 reform, such as a partial pension coming from both pension insurance and unemployment insurance. However, opportunities for employment after 60 (the typical age-limit in a Japanese firm) are...

...new programme has introduced flexible retirement between the ages of 60 and 65, although the benefit level varies according to the age of retirement. Other Major Reforms under the 1994 Law Our pension law is usually revised every five years. Benefits used to be indexed annually in line with the cpi?. Up until the 1994 revision, benefits were raised in ...at 60, he or she can collect both the old-age pension and the unemployment benefit (for a maximum of 300 days). During that time, total income could be higher than...

...The effective date of this change is April 1998 for administrative and political reasons. FUTURE SOCIAL SECURITY PENSION ISSUES Unification of Public-Sector Pension Schemes Japan has a general scheme (for private -sector employees) and several special schemes for government employees and for some occupational groups. The...  
...Japan Railways the contribution is about 30% higher than for the general scheme, and the benefit is lower than for the general scheme by about 3%. Japan Tobacco is now also...

...in Class 1 do not actually pay the contribution. In Japan, in principle, public pension coverage is universal. The larger the number of nonpayers now, the larger the percentage of elderly...

...estimated that about one million Class 3 people are not properly registered. If registered subsequently, coverage under Class 3 is possible retroactively for two years only.

The 1994 Law includes a...

...this situation. If registered during the two-year period between April 1995 and March 1997, coverage under Class 3 is acceptable retroactively to April 1986 even if the registrant is coming...

...life expectancy at age 65. Monthly or Annual Salary

For the purposes of contributions and benefits , only monthly salary is used, the twice yearly bonus being excluded. The amount of bonus...and employee) has been levied on bonuses. This 1% contribution does not translate into any benefit . I am afraid this may not have much effect on the practice of paying low...

...have to think about changing pensionable salary from monthly to annual. Incidentally, contributions to unemployment insurance and work injury (which are administered not by MHW but by the Ministry of Labour...

...annual remuneration.

#### Totalization of State Pensions

Because of the internationalization of business, the totalization of social security pensions has become a big issue. The Japanese Government has been negotiating on this for...

...the 1994 revision, short-stay foreign workers can get a refund on leaving Japan. This benefit is paid as a lump sum approximately equal to

an employee's contributions, the maximum being three years' contributions.  
**EMPLOYER-PROVIDED RETIREMENT BENEFITS** Design and Funding of Benefits

Lump-sum severance and retirement benefits provided by employers are a must, although they are not required by law. Nearly 100...

...final pay. One and the same scheme covers both white-collar and blue-collar employees. Benefits are funded on a pay-as-you-go basis. In 1952 German-style book reserves...

...large and medium-sized employers. The purpose is to maximize the tax advantages. Making future benefits secure by prefunding is another reason. At the discretion of each employee, the benefit from the funded portion can be paid either as a annuity or as a lump...

...up by the Ministry of Labour in 1959. It is a defined contribution arrangement. The benefit is, however, fixed according to a benefit table that assumes a certain interest rate. In recent years, because of low interest rates, the benefit table has been revised. The Chamber of Commerce in each city and some local governments...

...covered by these provident funds.

**Cost Containment and New Scheme Design** In the computation of benefit, 'final pay' means 'final basic monthly salary', not 'regular monthly salary'. Salary consists of basic...

...it is about 60%. About one-third of large employers now have a scheme whose benefits are unrelated to salary. Instead, the benefits are related to a 'grade' within the firm. Most large and medium-sized firms have...

...of service and performance. It is similar to the ranks found in the army. The benefit is a fixed amount based on a combination of final grade and years of service. Every year or two, benefits are reviewed, taking various factors into consideration. Benefit increases are usually smaller than salary increases. Some employers have a 'points' system. Each year...

...points accumulated during his or her whole career are used for the computation of the benefit. The point value is usually revalued on an ad hoc basis. **KEY PRIVATE PENSION ISSUES**

**Low Interest Rates and the Pensions Crisis** In recent years, our interest rates have been extremely low. Money put into a deposit account at a bank attracts an annual interest rate of 1% or less (before a 20...

...are basically pay as you go, so the effect on them is small.) Unfunded retirement benefits (with or without a book reserve) are not affected by interest rates.

As to tax-qualified pensions (TQP's), benefit increases (the liabilities) are now pretty limited or almost zero, because of the slump in...so bad.

**Employees' Pension Funds** or contracted-out schemes have suffered most, especially on equivalent benefits. EPF benefits usually consist of two components. One is the 'equivalent benefit' (equivalent to the State scheme benefit substituted by the EPF) and the other is the 'additional benefit' (usually the partially funded, traditional lump-sum benefit provided by the employer). The additional benefit is therefore similar to the TQP benefit .

Contracting-out occurs only on the undynamized portion of the State pension, the dynamized (or indexed) portion being taken care of by the State scheme. Equivalent benefits (and also the liabilities) are calculated on static assumptions. In this case, 5.5% means...

...low interest rates and the stock-market crash, big deficits have now

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become apparent. Equivalent benefits must be fully funded all the time, because they replace State pensions and must therefore be guaranteed by full funding.

Additional benefits also have problems. Assuming that the ratio of the two components (the equivalent and the...

...falls to 80% from 100% due to poor performance, the funded ratio of the equivalent benefit is kept at 100% and that of the additional benefit is reduced to 60%, because there is only one source of assets and the full funding of the equivalent benefit takes priority. Where the additional benefit is relatively small, the reserve fund for additional benefits disappears. This has actually happened in quite a few cases. EPF Terminations and Resulting Financial...

...shortfall of Y1,300 million in the minimum legal reserve that was required to pay benefits equivalent to the contracted-out benefits under the State scheme. 'Minimum legal reserve' means the present value of accrued equivalent benefits. The 27 remaining employers in the scheme were asked to make up the 1,300...

...it is being forced to pay to make up the Y1,300 million shortfall. Scheme benefits in excess of the contracted-out benefits (additional benefits) are supposed to be paid by the pension guarantee programme that is applicable to all...

...s claim. The rules of the guarantee programme were changed by adding the following words, " Benefits under this programme shall be paid fully or partially, depending on circumstances." The word 'circumstances'...

...employers made up the balance (of 100% less 40%) in order to pay the promised benefits in full. Other employers, who could not afford to, had to persuade their employees to take a cut in benefits.

The problem now is not just for the textile industry, but also for virtually all...

...has resulted because of poor investment returns. The deficit or underfunded portion, especially on equivalent benefits, must be made up within a short period. This has become a heavy burden on...

...earnings. With the same contribution, employers with many young employees could provide a much higher benefit (say, 30% higher) than the State earnings-related benefit. One example was the textile industry at that time. From the perspective of the State...

...was a great advantage. Seeking these advantages, employers set up EPF's. In my opinion, social security should be based on the solidarity of the whole nation or all workers. It should...on the part of the State (or of all employers and workers covered by a social security pension) is around Y2 trillion. One loss can be put down to anti-selection, similar...

...about 7% per annum. In the EPF's, only 5.5% was used for equivalent benefits, the excess being used for other purposes unrelated to State pensions, so the difference between...

...loss incurred by contracting-out. Problems with Contracting-Out

About 60 years ago, when the Social Security Act was introduced in the USA, a Bill containing a contractingout possibility (called the 'Clark...

...a difference in financing method, with State pensions basically being pay as you go and private pensions being funded.

Looking back over the history of EPF's, these arguments have proved to be

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true. Social security is the programme by which each individual is protected by the solidarity of the whole...

...national resources. As to the earnings-related part of the general scheme (the Employees' Pension Insurance programme), only the undynamized portion can be contracted out, the dynamized part being paid by...

...the administrative expenses of EPF's are much higher because of the administration of equivalent benefits. According to my estimate, additional expenses due to dual administration are around 50 billion per...

...frequently. For early leavers (those with less than 10 to 15 years' participation), an equivalent benefit is transferred to the Employees' Pension Fund Association (EPFA). On retirement, a worker may claim a benefit from three organizations: firstly, from the State scheme (a flat-rate basic pension plus the dynamized part of the earnings-related benefit); secondly, from the EPF where he or she had the longest service (most of the undynamized portion or an equivalent benefit plus an additional benefit); and, thirdly, from the EPFA (a small portion of the equivalent benefit). Such procedures are too complicated for a senior citizen to cope with. In addition, he...

...contingency measure, it is desirable to have a reserve fund equivalent to one year's benefits expenditure. For many years, the projection of future financing put the reserve fund of our...

...in the State scheme are much lower, while an increasing amount of funds for equivalent benefits are accumulated under EPF's. If we make a projection from the actual figures, based...

...a Y4 trillion tax increase," Y4 trillion being the increase in State pension contributions or social security taxes.

At a public hearing of the Diet, both Professor Noriyuki Takayama (in the Lower...years. However, our proposal was not accepted. In the 1994 revision Law, as mentioned previously, benefits were increased in line with net wage increases. Before that, at each time of revision, benefits had been increased by the gross wage index. The adoption of the net wage index was to keep the net replacement rate constant. In the 1994 projection, future benefits expenditure was somewhat overestimated. Linkage to the net wage index assumes a future increase in...

...If we also assume an increase in medical care contributions, which is more realistic, future benefits linked to a net wage would be somewhat smaller. Moreover, a large reserve at maturity...

...MHW has used a strange financial theory. As to the general scheme (the Employees' Pension Insurance), the dynamized part of the benefit could be pay as you go financed, while the undynamized part would be fully funded ...

...theories are for the purposes of keeping contracting-out intact. Are these measures correct for social security pensions? As many experts have pointed out, private pensions may substitute for the benefits of State pensions, but they cannot substitute for the financing of State pensions.

Mr Robert Myers, a US social security expert, says in the fourth edition of his book Social Security that: "Interest in the Clark Amendment [the contractingout provisions] disappeared. People realized the great difficulties and administrative problems involved, as well as the likelihood of undesirable federal controls over private pension plans."

In Japan, too rigid and complicated regulations on EPF's, not only on...

...so high that most EPF's do not pay any tax. Our tax rules on private pensions are basically the EET regime: contributions are tax exempt;

investment earnings are also exempt; and **benefits** are taxed (with some exemptions). So why is there a 1% tax? The reason is that, when the TQP tax laws were enacted, the new rules were thought mainly to benefit large employers. This being the case, favourable tax rules for TQP's may cause discrimination...

...and a 1% tax exemption equals a Y200 billion annual subsidy financed by all taxpayers.

#### Benefit Protection Programmes

The protection of employees' **benefits** on the insolvency of an employer is an important aspect of a retirement **benefit** plan. This is especially true when the plan is pay as you go. The Security of Wage Payment Law, enacted in 1976, introduced two measures to protect **benefits**. The first measure guaranteed retirement **benefits**, requiring employers to make some kind of arrangement to protect **benefits**, at least partially. These measures include funding, a bank guarantee, a mortgage on the employer...

...other measure provides protection for the non-payment of wages, which means cash compensation, retirement **benefits** or both. The programme covers all workers and is financed by contributions to the Workers' Compensation Insurance (Work Injury) Fund.

When the Law was enacted, the maximum guaranteed amount was Y312,000, which was about three times average monthly salary. A change in the **benefit** rules now provides for the ...unpaid compensation or the following amount, whichever is less: Age at Termination of Employment Maximum Benefit 45 or older Y 30-45 1,200,000 Under 30 960,000 560,000  
Usually, the higher the age, the larger the fund, in practice reimbursement of retirement **benefit**. For the employer is already inson, the maximum protected Foreigners often think that the Japanese...

...is a national scheme, it has to workers every year. all workers and all their **benefits**. The programme operated by the EPFA covers members only. In contrast, the protection programme described actually covers all workers and pays **benefits** for around 10,000 workers every year. Secondly, in small firms, financing is often pay...

...EPFA programme is quite small and is usually a tiny proportion of the total retirement **benefit**.

Thirdly, insolvency is common among small and mediumsized firms. The average size of firm where the workers are receiving **benefits** is 17 employees. In contrast, the EPFA programme just covers large firms where insolvency is...

...is in serious financial difficulties. Vesting and Portability

Our traditional plan provides a lump-sum **benefit** in the event of any kind of termination of employment. The **benefit** is payable after a relatively short period of service, typically after three years' service for voluntary termination and after one year's service for involuntary termination. Benefits are paid immediately in cash.

Although virtually all plans are defined **benefit**, the actual amount paid in cash is fairly similar to that of a cash-balance plan (a hybrid of defined contribution and defined **benefit**) in the USA. Most simplified plans provide a **benefit** of final monthly salary times years of service. Assuming that the annual contribution is equal...

...will always be equal to final monthly salary times years of service. The lump-sum **benefit** from a defined **benefit** plan is therefore similar to the lump sum paid by a defined contribution plan.

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Years...

...more liberal, especially under a defined contribution plan. Today, the biggest issue is cashing out **benefits**. When mobile employees in other parts of the world receive a lump sum, the money...

...to saving money. For this reason, vesting and portability have not been serious problems. Defined **Benefit** vs. Defined Contribution Virtually all the retirement **benefit** plans provided by Japanese employers are defined **benefit**. Both TQP's and EPF's have to provide defined **benefits**. Recently, partly because of influence from the USA and partly due to unusually low interest...

...and EPF's usually provide partial funding of the traditional lump sum. Even if the **benefit** provided by the funded pension is defined contribution, the total amount paid by the employer remains the same (defined **benefit**). There is no sign that employers will change their **benefit** design from defined **benefit** to defined contribution. Employers are achieving cost containment through various other measures. PROPOSAL FOR REFORM...

...similar. In other countries, such as Canada and Sweden, the basic pension is a universal **benefit**, financed by general revenues or an earmarked tax. In Japan it is rather difficult to...

...the real universal basic pension, with much lower administrative expenses.

Clear Distinction between State and Private is Vital When Mr Robert Myers was invited to speak at the Institute of Social Security in Tokyo, he advised us ...TV, I quite agree with him. The above-mentioned problems are not exhaustive. State and private pensions are completely different in nature. There must be a clear-cut division between the...

...Although things cannot be changed overnight, we must move in the right direction for the **benefit** of all workers in the most equitable and efficient way. i

Footnote:

\* For further information...

...0.62 as at 21 February 1997

Footnote:

Edwin E. Witte, The Development of the Social Security Act, University of Wisconsin Press, Wisconsin, 1962

Footnote:

exempt exempt taxed

Footnote:

Pension Benefit Guaranty Corporation in the United States

Author Affiliation:

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A graduate of Tokyo University, Kiyoshi Murakami is an independent pensions and life assurance specialist, who worked for Nippon Dantai Life Insurance Co. for 40 years. From 1972 to 1977 he was a part-time lecturer

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on...

...he was a member of the ILO's advisory panel of experts on actuarial and social security questions.

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**Pension privatization in Latin America**  
de Fougerolles, Jean  
Russian & East European Finance & Trade v32n3 PP: 86-104 May/Jun 1996  
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WORD COUNT: 7413

...DESCRIPTORS: Social security ;

...ABSTRACT: being introduced. Latin American-type reforms move part of the system away from a defined benefit structure toward one of defined contribution. An overview of the current pension crisis in CEE...

...systemic pension reform are addressed. Policy makers must consider political strategies, financing reform, and regulating private pension funds. A set of recommendations for policy makers to consider is offered.  
...TEXT: national labor forces imposed by the government maintenance of the pay-as-you-go (PAYGO) social security system.<sup>1</sup> Unless governments implement structural changes, payroll taxes, which are already very high, will...

...The only alternative to higher taxes on the relatively shrinking labor pool is to cut benefits received by the people who retire, a politically explosive option.

when looking at the transition...

...and Spain, to name a few) are looking toward Latin America as they explore new social security models. Latin American-type reforms, lead by Chile in the early 1980s, move part of the system away from a defined benefit structure toward one of defined contribution. These reforms link the whole or a portion of an individual's pension benefits to his/her total contribution accumulated in a personal pension account, plus the returns on...

...to introduce systemic pension reform. Policy makers must consider political strategies, financing reform, and regulating private pension funds. A section is devoted to each of these.<sup>3</sup> Finally, this paper offers ...

#### ...Old-Age Security Systems in Central and Eastern Europe

All CEE countries share a similar social security structure, which, along with the command economy, was constructed after World War II. Though most...

...motivates individuals to attempt to pay the minimum into the system while extracting the maximum benefits . Beyond the obvious immediate need to reform their PAYGO systems, these countries also must bear...

...searched for a way to "escape" the uncertainty of the transition period by receiving a disability pension. This practice has been perpetuated by lenient medical examinations as well as by the...

...example, from 1990 to 1993, the net growth in the number of old-age and disability pensioners reached about 2 million. This constituted more than

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20 percent of all persons eligible for **benefits**. Although in many CEE countries the current retirement age is 65 for men and 60...

...retirement age is 57 for men and 53 for women. Moreover, many early retirement and **disability** pensioners continue to receive pensions even after they have returned to work, in either the...

...schemes during the transition period was the lack of built-in mechanisms to index pension **benefits** automatically. When three-digit inflation appeared in many CEE countries at the end of the 1980s, **benefit** increases-introduced ad ...this problem, many governments indexed pensions to wages just as the number of those receiving **benefits** exploded. This indexation was introduced in Poland, for example, in 1990-91 and has been

...

...1989 to 16 percent of GDP in 1995. Transfers from the state budget to the **social security** fund have grown accordingly, from 2 percent in 1989 to 20 percent of total expenditures...

...see Table I ).

The implicit pension debt in these countries and the value of expected **benefits** that workers and pensioners have accrued have reached critical proportions. For example, the implicit pension...

...service the pension system provides is also part of the rationale. In CEE countries, pension **benefits** are generous in relation to relative wages compared to those in other countries around the...

...served by the current system, are becoming skeptical as to whether they will receive adequate **benefits** upon their retirement. As a result, they may evade payments altogether, especially as **benefits** are not clearly linked to contributions. This underlines one point, that the deficiencies of the...

...are also caused by structural inefficiencies. Moreover, the current pension system is incompatible with the **private** market.

Although a dominant public plan with high tax rates could function in a command...

...and competition in world markets. The high level of payroll taxes required to support these **benefits** are enormous-typically about 30 percent for pensions plus 20 percent for other social **insurance**. The presence of Argentina and Uruguay in the CEE grouping (top right corner) of Figure...

...which occurs through renewable limited-period contracts of employment, offering an opportunity to avoid paying **insurance** contributions.

There is also a tendency for financially troubled firms to avoid social **insurance** contributions, as this typically is the "softest" liability item on which troubled companies default. Despite...

...be needed in order to reverse the misallocation of resources within the pension system.

## II. Private Pension Funds in Latin America: The Chilean Model Spreads<sup>4</sup>

In 1980, the government of Chile replaced a bankrupt government PAYGO pension system with an innovative new structure: a **privately** administered, national system of mandatory retirement savings. Recently, several Latin American countries, including Argentina, Colombia...

...PAYGO system is kept as the first pillar, a mandatory funded system managed by the **private** sector and regulated by the state is created as

the second pillar, and a voluntary funded system is offered as a third pillar. The multipillar approach allows the population to diversify its risk through a combination of state and market coverage. Pensioners' participation in the capitalized funds, which are managed by the private sector, shield them from government benefit reductions to the PAYGO system. In addition, some of the market risk of low investment returns is diversified by coverage from the base state system. In each of these countries, the long-term health of the Chilean model.

Under the Chilean system, individuals do not pay a social security tax to the state, although they are eligible for a means-tested minimum governmentsponsored pension. Instead of the social security tax, 10 percent of a worker's wages are deposited each month into his individual...

...during the worker's active career span. This account bears the individual's name, is private property, and will be used to fund the retirement pension. The individual chooses one of the private Pension Fund Administration companies (AFP) to invest the savings. These companies can engage in no...

...previous government system, the individual's contributions neither enter the government treasury nor cover the benefits to already retired workers. Under the AFP system, the government does guarantee a minimum pension...

...guarantees, however, are funded out of general revenues, not individual savings.

For most individuals, pension benefits are directly related to the entire amount of capital accumulated in their private accounts. It is reassuring for a worker to see a growing balance in his retirement account. Also, the link between contributions and benefits decreases the incentive to underreport salaries. Contributions, then, no longer are a social security tax but a form of individual savings in a personal deposit account. Further, by ensuring that the burden of maintaining an acceptable living standard for retirees cannot...

...a minimum pension is guaranteed by the state. This model also eliminates many of the benefit supplements that went directly to preferred groups of society by eliminating privileges and establishing uniform base benefits through unification of the system.

The private administration of the system has shown increased efficiency in the Chilean case due to strong...

...is a weakness of the system, though this weakness appears to be mitigated by the benefits gained by competition and by removing the investment management of the pension system from the...

...retiree is receiving a pension equal to 70 percent of average annual income. Moreover, individual private pension funds may have positive effects on democratization. For example, a spontaneous coalition of citizens...

...free-market economy-they are investors. Of the four Latin America countries that have introduced private pension funds to date, two countries had autocratic regimes (Chile and Peru) while two had...

...while maintaining a minimum-level governmentmanaged PAYGO base through employer contributions, they introduced Chilean-type, privately managed and publicly regulated pension funds based on employee contributions. While the base system is...

...given the choice of either staying in the public second pillar or opting for the private system. In Argentina, beginning in 1996, once an individual decides to contribute to the private system, there will be no

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possibility of switching back to the public second pillar. This...

...Peru and Colombia resulting from individuals' having the option to switch between the public and private pillars continuously.

In Chile, there are currently twenty-one AFPs operating with 5 million affiliates...

...US\$ 23 billion, or half of Chile's GDP. In Argentina, there are twenty-six private pension funds operating with 3.5 million affiliates and 2 million active contributors. These pension...

...known by both the policy makers and the public in the other countries. The local private financial sector has also been a great initiator and supporter of reform due to the development of private pension funds has been passed in Hungary and the Czech Republic, although participation is voluntary. It should be noted that these tentative reforms do not permit individuals to redirect even a portion of their social security contributions toward these private schemes. Since the establishment of private pension funds in these countries has not been accompanied by substantial reforms to the base...

...economies, where deep expenditure reform is politically difficult, that this type of cosmetic reform will permit politicians to delay much-needed systemic reform to the PAYGO system. Already high tax rates...

...projected by the end of 1995. In Russia, a presidential decree allowing the formation of private pension funds passed two years ago with no accompanying regulation, thus opening the system to...

...not sustainable; it must be replaced; and it is not designed to work with the private market.

The first message that must be communicated is that the correct and relevant question...

...new system, which itself can later become more flexible. Over time, the scope of the private system can be increased as the system and the capital markets develop. Delayed reforms exacerbate...

...must be conveyed is that the current system is not designed to work with the private market. Although a dominant public plan with high tax rates could function in a command...

...on incentives, compliance, decentralized capital mobilization, and competition in world markets. The needs of the private market are different from the needs of a centrally planned economy. Throughout the Region, the...

...which would eliminate unfair advantages for special groups, increase the retirement age, and change the benefit formula and its indexation. These proposals have been on the table for several years, and...greatly improve the political reform process due to its many positive externalities. The introduction of private pension funds can be sold as mandatory personal savings instead of arbitrary government redistribution.

It is important to link the systemic change of the PAYGO system with the introduction of private pension funds, whether mandatory or voluntary, when presenting a comprehensive reform package to the population...

...entitlements with no replacement option offered. Governments may increase public support, however, by highlighting increased benefits in the second pillar. Step-by-step reform allows the opposition to coalesce and defend the disproportionate benefits it receives from public expenditure, which threatens to paralyze the process altogether.

The conclusion from...

...system should be constructed must not be designed solely for execution when the political climate permits but may be used to build the political consensus that enables its execution. The latter...

...growth rate substantially. The first country that is capable of introducing systemic pension reform will benefit from increased international financial assistance, develop financial markets, accelerate privatization, and jump to a higher...

...that a developing economy can shoulder the short-run budgetary costs inherent in introducing mandatory private pension funds.

#### IV. Financing the Transition Costs<sup>6</sup>

Countries that consider this type of systemic reform to their pension systems are faced with the problem of financing the social security debt implicit in the old system. The social security debt is equivalent to the present "value" of expected benefits that workers and pensioners have accrued under the old system and thus includes the payment of current and future benefits. There are different options for paying off this social security debt, such as reducing public expenditures, issuing government bonds, raising taxes, and selling public assets. The combination of these instruments determines how the burden of retiring the social security debt is spread among current and future generations.

The difficulty on the political level of...

...working generation (e.g., through an increase in the retirement age and changes in the benefit formula) and also perhaps toward the current retired generation (e.g., through a change in...)

...how a generation can save for its own retirement through capitalization while simultaneously supporting the social security debt. Changing to a funded scheme makes the implicit public debt of a PAYGO system...

...main effects also stand out: first, the reform establishes a close link between contributions and benefits, thus eliminating the labor-market distortions with which traditional and unfunded programs are considered to ...

...suggests they may, the costs of transferring a portion of a PAYGO system to a privately administered funded system may be reduced, though not eliminated.

In order to calculate the transition...the new system but gets credits for his prior contribution to the old system. The benefit rights of the already retired (under the reformed scheme) remain untouched.

Given these assumptions, one...

...as financial-markets development, increase on a large scale. The correlation between the establishment of private pension funds and capitalmarket development is an important issue, especially as the absorption capacity of...

...a proficient regulatory system, especially in the initial phase of pension reforms.

#### V. Regulation of Private Pension Funds

Systemic pension reform should have the following objectives in its conception: improve the...

...sector attempt to keep investment risk within reasonable bounds but also monitor the performance of private pension funds to inform the

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population, increase tax collection, promote competition, and discourage corruption. For...

...long-term perspective.

To reduce the risk of political intervention, the regulatory body should be independent and autonomous, not only technically but also financially. It follows that the body should be...and may have difficulty affording a superspecialized body. There are special characteristics of voluntary/supplementary private pension funds and compulsory/basic schemes that should be explored when contemplating reform. The institutional...

...possible solution could be using only one identification number for all purposes, similar to the social security number in the United States). Moreover, regulation is necessary for determining the effectiveness of paid ...

...diversify from domestic-country risk, but it also raises fear of capital flight and reduced benefits to developing local capital markets.

A shortage of local expertise to manage these assets can...

...capital requirements must be established for entry. In case of bankruptcy, the assets of the private manager are recovered first, then those of the reserve fund, and last those of the...

...a regulatory apparatus are necessary for continued economic growth in the Region, the development of private pension funds should be encouraged.

#### Conclusion

The old-age security system in Central and Eastern Europe is in crisis. Governments are offering pension benefits that the old find unsatisfactory and the young can no longer afford. The system encourages...

...their own retirement. By imposing an extremely high tax burden on employers, the system deters private enterprise and puts the Region at a competitive disadvantage internationally. Moreover, public investments in productive...

...CEE countries, any sustainable pension system that does not raise the contribution tax or reduce benefits must move away from its defined benefit structure toward one of defined contribution. Latin American-type reforms permit this by linking a portion of pension benefits to the returns of an individual's total accumulated contribution into a personal pension account...

...need to grow at higher rates than those of their wealthier neighbors. The creation of private pension funds is a very efficient vehicle for increasing historical savings rates and a key...If the reality is worse than assumed, governments can always modify the plan and reduce benefits .

4. Planners should strengthen support for the system by combining solidarity through a reasonable minimum...

...favor of reform, which should help to build a constituency of support.

6. Initially, the private pension plans should be tightly regulated to avoid mishaps. Only after it is operating well...

...areas, many CEE economies can look to Europe as models. However, in the area of social security , the problem is not a transitional but a structural one, and many of their West...

...exception to this, however, and has long operated defined contribution

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company-based schemes with extensive coverage , low operating costs, and access to group annuities.

Footnote: C) 1995 by the Institute for...

...Eastern Europe, PAYGO pension schemes are publicly administered systems in which current contributions finance current benefits , with shortfalls generally covered by the central budget.

2. In this paper, "systemic" pension reform...

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**Winning Combinations**  
Pond, Donald H., Jr.  
Best's Review (Life/Health) v92n10 PP: 47-49, 88-89 Feb 1992  
ISSN: 0005-9706 JRNL CODE: BIH  
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DESCRIPTORS: Life insurance ;

ABSTRACT: Too often, insurance products are sold piecemeal, with little effort made to coordinate the various components. However, some life insurance companies are designing packages of products that work in concert so that the value of the package is greater than the sum of its parts. For example, group long-term disability can be paired with individual disability income, or group term life with group universal life. Few insurers are actually selling such...

...if they were one. However, when products are combined successfully, everyone profits: the client, the agent , and the insurer.

...TEXT: Shouldn't the same be true when the purchase is not a computer but an insurance plan? That's what some insurance marketers are asking themselves these days in an effort to meet the changing needs of their clients.

Too often, insurance products are sold piecemeal, with little effort made to coordinate the various components or provide...

...for the client. But increasingly, clients are demanding more from all of their purchases, including insurance . At a time when both economic and demographic forces are combining to make this coordinated...

...the package is greater than the sum of its parts. For example, group long-term disability can be paired with individual disability income, or group term life with group universal life. Few insurers are actually selling such...

...to stay with one employer throughout their careers. When they retired, a company pension, plus Social Security , provided their retirement income.

Today, because of competition, corporate downsizing or career advancement, people hold jobs for shorter periods. Pensions aren't established, benefits change with each new job, and workers have no guarantee that Social Security will be adequate to meet their retirement needs. In addition, the majority of new jobs today are created by small businesses, which cannot afford to provide all the benefits large corporations can.

#### MEETING EXPECTATIONS

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While companies still have to offer superior benefits in order to attract superior workers, they are seeing a greater need to control their benefit costs. This pressure, along with the advent of cafeteria-style benefit plans, is giving employees more responsibility for choosing and paying for benefits and financial plans.

Workers often are frustrated by the difficulty of making the group benefits they receive from their employers work in a coordinated way with the individual plans they establish for themselves. They end up with too much of some kinds of coverage and not enough of other kinds. And when these workers file claims, they find that...

...price, easy access and lots of choice. Whether they are buying a computer or an insurance plan, they do not simply--accept what the seller has to offer they expect products to adapt to fit their needs.

#### FINDING SOLUTIONS

For the insurance industry, these expectations translate into a need for flexible, comprehensive products that provide the solutions...

...solving combination might be a whole life plan that works hand in hand with a disability income policy and a fixed annuity. Another example might be a group long-term disability plan that makes 401(k) contributions on behalf of a disabled employee.

There are two...

...broader spectrum of needs, thus better serving clients, and possibly reducing the overall cost of insurance .

Often insurers begin by packaging similar group and individual products together, such as a qualified pension with a 401(k) plan or a group life or disability product with its counterpart on the individual side. At first glance, this would seem to duplicate coverage . But what it actually does is supplement what may be inadequate coverage on either side. More important, it effectively answers the problems posed by frequent job changes and a reduction in corporate benefits . What our industry needs to realize is that people don't fall into the convenient...

...leave the group, they can take with them the same kind of familiar, high-quality benefits to which they are accustomed.

For instance, most group long-term disability plans don't adequately cover higher-paid employees, while many find individual disability income insurance prohibitively expensive. When you put the two together and sell the package to a business...single application and simplified underwriting to make the process easier. In addition, the definition of disability will be the same on both sides, reducing confusion, and the employee will have to file only one claim in the event of a disability .

Rather than simply layering the DI on top of the LTD, however, the company can add value to the package by having the two types of coverage "wrap" around each other. With two separate policies, a disabled employee might receive 60% income...

...a disincentive to return to work, harming both the employer and the insurer. Coordinating the benefits can avert overcompensation while offering a higher income-replacement level than would otherwise be available...

...It also enables the insurer to offer attractive back-to-work incentives such as partial disability benefits .

A true combination package will also allow for conversion and

portability, so that if employees leave a group, they can convert their...

...products intact, but design a new set of rules that governs both and coordinates the **coverage**. For instance, the package would have joint underwriting, joint participation requirements, joint premium, joint minimum face amounts, and so on. And it would allow for conversion and portability.

#### WORKING OUT THE BUGS

A company that creates such packages will...

...both to be underfunded. On the other hand, combining individual DI with business overhead expense **insurance** provides better **coverage** for both a small business and its owner, yet reduces the overall cost of the...

...to explain and understand than individual products. Simplified marketing materials, including clear graphics that show **coverage** levels and how they work together, are absolutely essential.

But simplified marketing brochures alone won...

...more complex product works. One positive result of this approach is that it will force **agents** to concentrate on concept-and needs-selling, rather than product sales. Instead of specific product features, the sales emphasis will focus on consumer options.

Like consumers, **agents** must perceive the package as seamless. That applies not just to the mechanics of the...

...that the coordinated features will live up to their billing, they'll sell it. If **agents** perceive, however, that the two product areas administering the package will be at odds, they...

...product to the mix.

Sales forces tend to be fairly segregated as well, with many **agents** focusing on certain types of sales. For example, persuading an **agent** to sell combination group/individual products may prove difficult if he or she has spent...

...to matter.

Designing and selling products in this way can actually change the way an **insurance** company does business. It takes an enormous amount of self examination and whittling away of...

...a synergistic way. And when they do come together successfully, everyone profits: the client, the **agent** and the insurer.

For the individual client, combination products provide coordinated coverage plans that better meet their needs and give them greater coverage options at a better price. As we saw in the two detailed examples, portability and...

...big pluses, particularly when employees change jobs as often as they do these days. Clients' **insurance** plans will also be more comprehensive, protecting them against a wider variety of eventualities. In...

...the kind of true financial planning clients need. Moreover, combination products reduce the number of **agents**, insurers and client services **representatives** that consumers must deal with. As we have seen, today's buyers want choices, but...

...The advantages are no fewer for business clients. Most employers feel economically pressured to reduce **benefit** expenses, yet they still need to

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make quality benefits available to their employees. With combination group/individual packages, splitting benefit costs becomes easier. Employers can reduce their costs and still make top-notch benefits available to employees. While employees may have to pay for these benefits, it is usually at a lower cost than if they obtained such coverages on their...

...executives to entry-level workers. And, like their employees, this approach reduces the number of agents and service representatives that benefit plan administrators need to deal with.

Agents also profit from selling combination packages. First of all, since these plans are still fairly...

...also provides a sales edge.  
A BALANCED DIET

Better yet, by offering products in tandem, agents have a better chance of selling more than one product to the client. Since the products are sold as a package, agents avoid the uncomfortable task of presenting too many options and asking for too many separate...

...separate annuity. In effect, instead of saying to clients, "Heres a menu to choose from," agents can now say, "Here's a balanced diet."

In group situations, agents have a tremendous advantage. When establishing the group side of the package, the employer either sponsors or endorses the employee-paid individual side, giving the agent permission, and sometimes company time, to present the individual portion of the package to employees. For the agent, this opens the door to a series of interviews with a captive and predisposed audience...

...cold calls any day.

The portability features enhance the likelihood that employees will remain that agent's clients even after leaving the group. And whenever a new employee is hired, the agent has a ready-made prospect. The individual employee interviews also can create opportunities for further financial planning and lead to sales of additional products.

Combination packages offer tangible benefits to insurers as well. Banks realized a long time ago that if they could persuade...

...simply too much of a hassle to move checking, savings, credit card and certificate of deposit accounts from one place to another. The same is true with insurance. The more business a client does with a company, the greater the comfort factor and the higher the persistency.

Products that allow for and encourage conversion, as in the group LTD/individual DI example, also work to...

...account.

Packaging can be a good way to introduce new products and concepts to producers. Agents who sell primarily group products, for example, may welcome the addition of an individual product...

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Set	Items	Description
S1	106171	SOCIAL()SECURITY
S2	104282	DISABILITY
S3	34208	DEPOSIT()(ACCOUNT OR ACCOUNTS)
S4	6533377	(THIRD OR 3RD)()(PARTY OR PARTIES) OR INDEPENDENT?? OR PRI-VATE??
S5	6074526	INSURANCE OR COVERAGE OR BENEFIT OR BENEFITS
S6	10520699	AUTHORI??? OR AUTHORI?ING OR CONSENT OR PERMISSION? ? OR A-LLOW?? OR PERMIT?? OR APPROV??? OR AGENT? ? OR DELEGATE? ? OR REPRESENTATIVE? ? OR BROKER? ?
S7	221570	OVERPAYMENT OR OVERPAY OR OVERPAID OR (DUPLICAT??? OR DOUB-L??? OR REDUNDAN?? OR REPEAT??? OR MULTIPLES OR DOUBLE OR OVE-R)(8N)(PAY OR PAID OR PAYMENT OR PAYMENTS)
S8	7720	S1 AND S2
S9	52	S8 AND S3
S10	52	S9 AND (S4 OR S5 OR S6 OR S7)
S11	26	S9 NOT PY>2000
S12	17	RD (unique items)

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**Early Retirees Under Social Security : Health Status and Economic Resources.(Statistical Data Included)**  
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Social Security Bulletin, 63, 4, 1  
Winter, 2000  
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**Early Retirees Under Social Security : Health Status and Economic Resources.(Statistical Data Included)**

TEXT:

Policies that would reduce or eliminate Social Security benefits for early retirees could have adverse consequences for older workers in poor health. This...

...the extent to which curtailment of early retirement benefits might lead to increases in the Disability Insurance program rolls.

Summary

Some proposals to change the Social Security program to ensure long-run solvency would reduce or eliminate benefits for early retirees. This...

...the extent to which curtailment of early OASI benefits might lead to increases in the Disability Insurance (DI) program rolls.

Using a set of comprehensive health measures, we estimate that over

...

...implies that in this age range, as many severely disabled persons receive OASI benefits as disability benefits. In fact, 12 percent of early beneficiaries would meet a more stringent criterion for being classified "disabled"--SSA's medical standard for disability benefits. The evidence therefore indicates that OASI functions as a substantial, albeit unofficial, disability program for early retirees.

Compared with those who have no health problems or are less severely impaired, early OASI beneficiaries who meet the medical criteria for disability benefits are more likely to be living alone and more likely to be poor or...

...histories suggests that most of these beneficiaries do not satisfy the insured-status requirements for Disability Insurance benefits.

The article considers the different roles of the OASI program and the DI program for health-impaired individuals aged 62-64. Disability modelers sometimes overlook an important aspect of program administration. Under customary screening procedures implemented in Social Security field offices, applicants for early OASI benefits who appear to be severely impaired simultaneously apply for DI benefits if they are disability insured. If they are found eligible for DI benefits, those applicants become DI beneficiaries. The...

...serve as a safety net for many of the most severely disabled early retirees.

Introduction

Social Security 's Old-Age and Survivors Insurance (OASI) program faces long-run insolvency. Suggested remedies entail...

...retirement age (NRA), currently 65 plus 2 months, would promote longer work lives, thereby increasing Social Security revenues by the amount of the additional payroll taxes collected.(1) This article focuses

primarily...

...late as the 1970s, 65 was by far the most popular age to become a Social Security retired-worker beneficiary. Since 1961, insured workers have been permitted to receive benefits before reaching...

...age 62, the EEA. During the ensuing decades, the average age of first receipt of Social Security retired-worker benefits has declined markedly, with entitlement at age 62 now elected by 60...

...Second, workers with insufficient liquid assets to finance retirement might be induced to retire when Social Security benefits are first available. Social Security's EEA provision affords those workers an opportunity to leave the labor market earlier than...

...example, poor health) would like to retire but lack the means to do so without Social Security benefits. Benefit entitlement at age 62 is now so prevalent that some observers suggest that...

...concern raises a number of related questions. How many individuals opt for early receipt of Social Security benefits because of health problems that limit or prevent work? Would the program changes cause hardship for low-income individuals who could not afford to retire without the availability of Social Security benefits? Would the changes have comparatively larger adverse consequences for population subgroups such as specific racial or ethnic groups, unmarried women, or individuals in physically demanding occupations? Would Disability Insurance (DI) costs increase in response to a higher retirement age as persons with health problems who previously simply retired early now applied for disability benefits, thereby offsetting some of the desired savings in OASI expenditures? And how many severely...

...batteries of supplemental questions (Topical Modules) were asked about health status, functional limitations, and work disability. We have added data from the Social Security Administration's (SSA's) records on earnings, benefits, and disability claims to the respondents' survey information.(3) The resulting restricted-access data file (1,090 observations) permits us to examine characteristics of older persons categorized by Social Security program status.(4)

The Social Security Administration's interest in how older workers are affected by program changes that would prolong...

...early benefits are both in poor health and have no source of pension income except Social Security benefits. The comparable figure for women is 20 percent.(5)

In another recent study, Smith...

...do not report health problems that limit work, nor do they appear to depend on Social Security benefits to preclude poverty. Exploiting a larger sample than that used by Burkhauser, Couch, and...

...Smith finds that about 10 percent of those taking early benefits report both a work disability and an income level that would fall below the poverty line without their Social Security checks.

Using more comprehensive, multivariate health measures than were used in either study, we investigate...

...exploit restricted-access data in two ways. First, the data permit us to compare health/ disability groups in terms of lifetime earnings. Second, we examine the financial circumstances of different beneficiary subgroups, allowing us to focus on each subgroup's potential vulnerability to reductions in Social Security income and, to a limited extent, on their eligibility for DI benefits.

Our study confirms...

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...beneficiaries who report severe health problems have lower lifetime earnings and are more dependent on Social Security benefits than are other beneficiaries. Furthermore, those impaired individuals are disproportionately represented among lower-income...

...the most adverse economic circumstances. We estimate that some of those beneficiaries would qualify for disability benefits under SSA medical criteria, although substantial numbers of those who would qualify medically--most of whom are women--are not insured for disability benefits.

Health and Beneficiary Status of Persons Aged 62-64: An Overview  
The measurement of...

...practical issues, especially when dealing with a large, heterogeneous population. We use several health and disability measures to assess different levels of impairment severity (see Box 1). First, we make a... FICA taxes.

Thus, earnings above the taxable maximum and from noncovered employment are not considered.

**Disability**. Under the Census definition, a person was considered to have a **disability** if the person met any of the following criteria: (a) used a wheelchair; (b) had...

...ADL; (e) had difficulty with an IADL; or (f) was identified as having a developmental **disability** or a mental or emotional **disability**. In addition, a person was considered to have a **disability** if he or she had a condition that made it difficult to do housework or that limited the kind or amount of work the person could do at a job.

**Disability Insurance (DI)** beneficiaries. Persons receiving a Social Security benefit as a disabled worker, an adult disabled in childhood, or a disabled widow who reported a monthly Social Security benefit in the survey for 1 or more of the 4 months before the wave...

...value of interest-earning assets held at financial institutions, including passbook savings accounts, money-market deposit accounts, certificates of deposit, and interest-earning checking accounts; other interest-earning assets such as money...

...housework, and using the telephone.

**Old-Age and Survivors Insurance (OASI)** beneficiaries. Persons receiving a Social Security benefit as a retired worker or the dependent or survivor of a retired worker who reported a monthly Social Security benefit in the survey for 1 or more of the 4 months before the wave...

...thresholds.

**Property income.** Property income includes income from regular (or passbook) savings accounts; money-market deposit accounts; certificates of deposit; NOW, Super NOW, or interest-earning checking accounts; money-market funds; U...

...The values are given in

Table C-7 in Leonesio, Vaughan, and Wixon (2000).

**Severe disability.** Under the Census definition, persons were classified as having a severe **disability** if they (a) used a wheelchair or had used another special aid for 6 months...

...or were covered by Medicare. Such individuals were not included in the definition of severe **disability** for purposes of this study.

**Simulated SSA Disabled.** Persons simulated to meet SSA's medical definition of **disability**. The simulation is based on a statistical model of the relationship between the body of...

...and Program Participation and the outcome of steps 2 through 5 of SSA's sequential **disability** determination process for applicants identified via exact match between the survey and SSA administrative records...

...Hu and others 2001). Persons were simulated to meet the agency's medical definition of **disability** irrespective of the substantial gainful activity (SGA) test. Model coefficients were subsequently used to simulate...February through May 1992.

with a health problem. Persons who (a) meet the criteria for **disability**, (b) are reported to be in fair or poor health, or (c) have had at...

...wheelchair; use of a cane for 6 months or longer; a developmental, mental, or emotional **disability**; difficulty with a functional activity; difficulty with an activity of daily living (ADL); difficulty with...

...statistical model is used to classify persons with impairments that meet SSA's definition of **disability**, an exacting medical standard that identifies individuals with the most severe impairments.(8) In this...

...least in terms of conventional activity limitations, the Simulated SSA Disabled are similar to allowed **disability** applicants.(9) Moreover, as expected, both groups are much more impaired than nonapplicants.

Table 1...

...those reporting one or more problems, as shown in Table 2. Note that the health/ **disability** categories are not mutually exclusive; members of the Simulated SSA Disabled group are drawn from...

...of persons aged 62-64 meet our modification of the conventional Census definition of severe **disability**, and 22 percent have less serious health problems. Hence, more than half of those reporting...

...Table 2.  
Prevalence of health problems among persons aged 62-64

Health or <b>disability</b> status	Number (thousands)	Percentage distribution
Total	6,371	100
No health problems	3,224	51
One or...		

...no benefits. Predictably, receipt of DI or SSI benefits is clearly related to health or **disability** status. Taking into account all three

programs, we see that 50 percent of persons with...

...SSI beneficiary status of  
persons aged 62-64 (in percent)

Health or disability status	Total	OASI	DI and/or SSI	No benefits
All persons	100	49	11	40

No health problems...

...half of the severely disabled beneficiaries aged 62-64 receive early retirement benefits rather than disability benefits (39 percent versus 40 percent). Moreover, more than one-third of the persons estimated...health problems but are not severely disabled, to 65 percent for those with a severe disability, and to 67 percent for the Simulated SSA Disabled.

Estimates for demographic subgroups often found...

...a slim majority (53 percent). Nevertheless, women represent 63 percent of those with a severe disability and a clear preponderance of those who meet SSA's medical definition of disability (79 percent). Why are the early beneficiaries we classify as most disabled found to be...

...50 sample cases.

Other aspects of the work experience of groups differentiated by health and disability status include current, recent, and lifetime measures of earnings in covered employment (see Table 6...).

...early retirees worked in periods preceding the survey. Differences in their earnings activity by health/ disability status are evident. Few who have a severe disability or are Simulated SSA Disabled had average covered earnings above the earnings-test exempt amount...

...long-term work effort, we again find that such efforts are differentiated by health and disability status.

Table 6.

Current, recent, and lifetime work and earnings of OASI beneficiaries aged 62...332

A common pattern emerges from the four measures of earnings and work by health/ disability category. Persons with nonsevere disabilities are similar to those with no health problems, suggesting that...

...women and with published estimates that women aged 62-64 are less likely to be disability insured than men of the same age--about 50 percent versus 80 percent.(12,13...)

...for DI benefits.(14) Finally, 30 percent of the Simulated SSA Disabled group were denied disability benefits at some point in the past or shortly after the survey.(15) Members of...

...contradicts the oft-expressed conjecture that raising the EEA would cause many to switch to disability benefits, resulting in a surge in DI enrollment. To understand this finding, consider an underappreciated...

...6). Low lifetime earnings for those who are most impaired often signal substantial dependence on Social Security income in old age. Low lifetime earnings also usually signify limited opportunities to acquire other...

...investigation is to determine the extent to which health-impaired individuals who apply for early Social Security benefits might be at risk if the EEA or NRA is increased. This section examines...

...the economic well-being of early beneficiaries: family income and

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poverty status, financial dependence on Social Security benefits, financial assets, and health insurance coverage.

Family Income and Poverty Status

Early OASI beneficiaries...for the Simulated SSA Disabled (13 percent).

In fact, for a substantial minority of early Social Security beneficiaries, impaired health is associated with precarious financial circumstances. Because increases in the EEA or...

...the importance of OASI benefits to the economic well-being of their families.

Dependence on Social Security Benefits

Social Security often accounts for a substantial share of family income within the OASI beneficiary population. Table...

...several measures of the extent to which groups differentiated by health are financially dependent on Social Security benefits. The results consistently show that the most severely disabled are more dependent on their Social Security benefits. For example, 68 percent of healthy early beneficiaries depend on Social Security benefits for at least a quarter of family income, compared with 82 percent for the most severely disabled group. If we restrict attention to families that depend on Social Security benefits for at least half of their income, the estimates range from 32 percent for...

...to be Simulated SSA Disabled.

Table 8.

Dependence of OASI beneficiaries aged 62-64 on Social Security benefits,  
by health status (in percent)

	With one or more health problems					Simu-
	NO	All	disabled	disabled	disabled	
...SSA						
Number (thousands)	problems	All	disabled	disabled	disabled	
Social Security as a percentage of family income						
At least 25 percent	68	72	69	76	82	
At least 50 percent	32	39	35	44	58	
Social Security benefits and poverty						
Kept from poverty by Social Security	19	25	25	24	36	
Kept from poverty or near-poverty by Social Security	22	27	29	25	33	

Dependence on other sources of income

Families with no earnings...

...no

other income	23	33	29	37	52
--------------	----	----	----	----	----

As the results in Table 8 suggest, Social Security benefits have a major impact in alleviating poverty. Among persons with no health problems, 19 percent of early beneficiaries would be poor without Social Security benefits.(18) The program's antipoverty role increases as health problems and disability become more severe. Compared with the other groups with a health problem, the Simulated SSA...

...indicate that the poverty rate for that group is 25 percent, even with benefits. Without Social Security benefits, the resulting poverty rate would be 61 percent.(19)

Data on the receipt of income from earnings, property, and other sources apart from Social Security are summarized in Table 8. The principal source of other income in this age range...

...early OASI beneficiaries receiving property income and other income (primarily pensions) across the health and disability categories. Property income and pensions represent resources typically accumulated during years of work as insurance...this age range, there are as many severely disabled persons who receive OASI benefits as disability benefits. A central message of this study is that OASI functions as a substantial, albeit unofficial, disability program for this age group.

Compared with persons who have no health problems (roughly half...

...taking early retirement benefits? When one contrasts the different purposes of the early retirement and disability programs, a natural surmise is that individuals with the most severe impairments are likely to receive disability benefits and that those with less severe impairments are likely to take (actuarially reduced) early...

...percent of early beneficiaries would meet a more exacting criterion--SSA's medical standard for disability benefits.

What do we know about the Simulated SSA Disabled? Compared with other impairment groups...

...also would not qualify for DI benefits. The final subgroup includes persons who were denied disability benefits.

These findings help clarify the relationship between the early retirement program and the DI program. While early retirement represents an unofficial disability program, many of the most severely disabled would not qualify for DI if they were...

...is consistent with the view of program administrators that under customary screening procedures implemented in Social Security field offices, the severely impaired who apply for early OASI benefits also apply for DI benefits if they are disability insured. This practice implies that raising the EEA would have only a modest impact on...

...at a rate of approximately 7 percent for each year of increase. Under current law, Social Security's NRA is scheduled to increase starting in 2000 for individuals who attain age 62...

...indexing it to increases in longevity.

(2) This figure excludes individuals receiving benefits under the Disability Insurance (DI) program, who ordinarily convert to retired-worker benefits at the NRA.

(3) Data...

...of Statistical Information and Service between the U.S. Bureau of the Census and the Social Security Administration. All research involving the development and analysis of the matched data set at the Social Security Administration was conducted by Social Security employees or on-site contractors acting as special sworn agents of the Bureau of the...

...who did not.

(6) See Box 1 for a detailed definition of the health and disability categories used here as well as other concepts employed in the study. The appendix provides...

...by Census Bureau practice.

(8) We estimate individuals who meet SSA's medical criteria for disability benefits by using a statistical model of the first two levels (initial and reconsideration) of the disability determination process. The model captures the relationship between survey information (including demographic characteristics and self...

...and others 2001; Hu and others 2001; Lahiri, Vaughan, and Wixon 1995). Those who receive disability benefits under DI or SSI are automatically considered medically eligible, even though about 200,000...

...our statistical model.

(9) In the jargon of program administrators, an "allowed" applicant is a disability applicant who has been awarded benefits.

(10) Of course, other important factors such as occupational...

...in covered employment at least 5 of the 10 years before the onset of a disability. If that requirement is met, the individual is said to be disability insured.

(13) See the Annual Statistical Supplement to the Social Security Bulletin for 1991, Tables 4.C2 and 4.C5. Note that this gap has narrowed  
...

...the Annual Statistical Supplement for 1999, 61 percent of women in their early sixties were disability insured, compared with 79 percent of men.

(14) We are unable to explore this issue...

...medical problems. We note, however, that the size of the published gender differential in the disability -insured rate is three times its standard error, making it unlikely that the discrepancy is...8 merits comment. That is, the percentage of Simulated SSA Disabled kept from poverty by Social Security benefits (36 percent) exceeds the figure for those being kept from poverty or near-poverty (33 percent). The reason is that eliminating Social Security income would cause some individuals to move from the near-poor to poor category.

(20) Annual Statistical Supplement to the Social Security Bulletin, 1992, Table 5.A11.

(21) Annual Statistical Supplement to the Social Security Bulletin, 1991, Table 5.A1.

(22) Del Bene and Vaughan (1992) consider the joint distribution...  
...be successfully waves 2, 3, 6, and 7 of the 1990 panel and have a valid Social Security number. When combined with the effects of attrition after the second interview, the restrictions reduced...

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Appendix: Sampling Errors and Inference  
The...wave 2 interview of the 1990 SIPP panel for beneficiaries of Old-Age, Survivors, and Disability Insurance and Supplemental Security Income using the half-sample replication method (see Bye and Gallicchio... Denton R. Vaughan, and Bernard Wixon(\*))

(\*) Michael V. Leonesio and Bernard Wixon are with the Social Security Administration, Office of Policy, Office of Research, Evaluation, and Statistics, Division of Economic Research. Denton...

...the Census Bureau, Housing and Household Economics Statistics Division, but was an employee of the Social Security Administration when the research was undertaken.

DESCRIPTORS: Social security --

PRODUCT/INDUSTRY NAMES: 9105310 ( Social Security )

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Financial and Business Statistics.(Illustration)  
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Dec, 2000  
DOCUMENT TYPE: Illustration ISSN: 0014-9209 LANGUAGE: English  
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Robert Finley

WORD COUNT: 19715 LINE COUNT: 09158

... mortgage-back securities  
IPCS Individuals, partnerships, and corporations  
IRA Individual retirement account  
MMDA Money market deposit account  
MSA Metropolitan statistical area  
NOW Negotiable order of withdrawal  
OCDS Other checkable deposits  
OPEC Organization...661 7,218 44,199

(1.) Since 1990, off-budget items have been the social security trust funds (Federal Old-Age, Survivors, and Disability Insurance) and the U.S. Postal Service.

(2.) Includes special drawing rights (SDRs); reserve position on...

...402	58,364	27,762			
27 Health			141,079	154,215	67,838
28 Social security and					
Medicare	580,488	606,552	316,809		
29 Income security			237,707	247,380	109...
...003	27,532	31,234			
27 Health			69,320	74,490	75,871
28 Social security and					
Medicare	261,146	295,030	306,966		
29 Income security			126,552	113,504	133...
874	5,576	3,616			
27 Health			12,450	14,512	3,566
28 Social security and Medicare			47,415	52,206	50,381
29 Income security			15,343	18,521	20...

...revisions

from the Budget have not been fully distributed across months.

(2.) Old-age, disability, and hospital insurance, and railroad retirement accounts.

(3.) Federal employee retirement contributions and civil service retirement and disability fund .

(4.) Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.

(5.) Includes interest...

12/3,K/3 (Item 3 from file: 148)  
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13701171 SUPPLIER NUMBER: 76516009 (USE FORMAT 7 OR 9 FOR FULL TEXT)  
Financial and Business Statistics.(Statistical Data Included)  
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Sept, 2000  
DOCUMENT TYPE: Statistical Data Included ISSN: 0014-9209  
LANGUAGE: English RECORD TYPE: Fulltext  
WORD COUNT: 25219 LINE COUNT: 11741

... mortgage-back securities  
IPCS Individuals, partnerships, and corporations  
IRA Individual retirement account  
MMDA Money market deposit account  
MSA Metropolitan statistical area

Robert Finley

NOW Negotiable order of withdrawal  
OCDS Other checkable deposits  
OPEC Organization...642 51,229

(1.) Since 1990, off-budget items have been the social security trust funds (federal old-age survivors insurance and federal disability insurance) and the U.S. Postal Service.

(2.) Includes special drawing rights (SDRs); reserve position on the U...27,762

27 Health	131,440	141,079	67,838
28 Social security and Medicare	572 , 047		
580,488 316,809			
29 Income security	233,202	237,707	109,481
30 veterans...			
...31,234			
27 Health	69,320	74,490	75,871
28 Social security and Medicare	261 , 146		
295,030 306,966			
29 Income security	126,552	113,504	133,915
30 veterans...			
...4,766			
27 Health	12,421	12,532	13,443
28 Social security and Medicare	46 , 309	52,741	58,378
29 Income security	17,801	19,342	18,886
30 veterans...			
...Budget			
have not been fully distributed across months.			
(2.) Old-age, disability, and hospital insurance, and railroad retirement accounts.			
(3.) Federal employee retirement contributions and civil service retirement and disability fund.			
(4.) Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.			
(5.) Includes interest received by trust...			

12/3,K/4 (ITEM 4 FROM FILE: 148)  
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13701115 SUPPLIER NUMBER: 76515315 (USE FORMAT 7 OR 9 FOR FULL TEXT)  
Financial and Business Statistics.  
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May, 2000  
ISSN: 0014-9209 LANGUAGE: English RECORD TYPE: Fulltext  
WORD COUNT: 26850 LINE COUNT: 13083

... IO Interest only  
IPCS Individuals, partnerships, and corporations

Robert Finley

IRA Individual retirement account  
MMDA Money market deposit account  
MSA Metropolitan statistical area  
NOW Negotiable order of withdrawal  
OCD Other checkable deposit  
OPEC Organization...615 16,958

(1.) Since 1990, off-budget items have been the social security trust funds (federal old-age survivors insurance and federal disability insurance) and the U.S. Postal Service.

(2.) Includes special drawing rights (SDRs); reserve position on the U...

...402 25,928

27 Health	131,440	141,079	65,053
28 Social security and Medicare	572		
,047 580,488 286,305			
29 Income security	233,202	237,707	125,196
30...			

...003 27,532

27 Health	67,838	69,320	74,490
28 Social security and Medicare	316 ,809	261,146	295,030
29 Income security	109,481	126,552	113,504
30...788 5,385			
27 Health	13,462	11,575	11,567
28 Social security and Medicare	52 ,720	45,336	49,858
29 Income security	23,747	16,565	32,110
30...			

...the Budget  
have not been fully distributed across months.

(2.) Old-age, disability, and hospital insurance , and railroad retirement accounts.

(3.) Federal employee retirement contributions and civil service retirement and disability fund.

(4.) Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.

(5.) Includes interest received by...

12/3,K/5 (Item 5 from file: 148)  
DIALOG(R)File 148:Gale Group Trade & Industry DB  
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13700592 SUPPLIER NUMBER: 76403695 (USE FORMAT 7 OR 9 FOR FULL TEXT)  
Financial and Business Statistics.(industry information and data)(Brief Article)(Industry Overview)(Statistical Data Included)  
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ISSN: 0014-9209 LANGUAGE: English RECORD TYPE: Fulltext  
WORD COUNT: 25293 LINE COUNT: 12564

... mortgage-back securities  
IPCs Individuals, partnerships, and corporations  
IRA Individual retirement account  
MMDA Money market deposit account  
MSA Metropolitan statistical area  
NOW Negotiable order of withdrawal  
OCDS Other checkable deposits  
OPEC Organization...51,229 28,661 7,218

(1.) Since 1990, off-budget items have been the social security trust funds (Federal Old-Age, Survivors, and Disability Insurance) and the U.S. Postal Service.

(2.) Includes special drawing rights (SDRs); reserve position...

...54,919 56,402 27,762

27 Health		131,440	141,079	67,838
28 Social security				
and Medicare	572,047	580,488	316,809	
29 Income security			233,202	237,707...
29,003	27,532	31,234		
27 Health		69,320	74,490	75,871
28 Social security				
and Medicare	261,146	295,030	306,966	
29 Income security			126,552	113,504...
...4,766	3,874	5,576		
27 Health			13,443	12,450
28 Social security				14,512
and Medicare	58,378	47,415	52,206	
29 Income security			18,886	15,343...

...because revisions from the Budget have not been fully distributed across months,

(2.) Old-age, disability , and hospital insurance, and railroad retirement accounts.

(3.) Federal employee retirement contributions and civil service retirement and disability fund.

(4.) Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.

(5.) Includes...

12/3,K/6 (Item 6 from file: 148)  
DIALOG(R)File 148:Gale Group Trade & Industry DB  
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11586282 SUPPLIER NUMBER: 55450620 (USE FORMAT 7 OR 9 FOR FULL TEXT)  
Individual Social Security Accounts: Issues of Administrative Feasibility and Cost, 1998(\*).(Statistical Data Included)  
Olsen, Kelly A.; Salisbury, Dallas L.  
Social Security Bulletin, 62, 1, 75  
Spring, 1999  
DOCUMENT TYPE: Statistical Data Included ISSN: 0037-7910

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LANGUAGE: English      RECORD TYPE: Fulltext  
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**Individual Social Security Accounts: Issues of Administrative Feasibility and Cost, 1998(\*) .(Statistical Data Included)**

**TEXT:**

...employer-based retirement plans, brought its expertise to bear on the issue of administering individual Social Security accounts. One of the major points of EBRI's overview of administrative considerations and trade offs involving individual accounts (IAs) is that, first, adding IAs with investment choice to Social Security could be the largest undertaking in the history of the U.S. financial markets. No...

...new system and new software. Second, direct comparisons between employment-based retirement savings plans and Social Security reform proposals are tenuous at best. Social Security covers a substantial number of workers and businesses that have traditionally not participated in employment...

...Another interesting and seldom recognized fact is that credit-based systems such as the current Social Security program are less difficult to administer than cash-based systems, which must account for every dollar in order to avoid lost retirement income. Moreover, Social Security IAs cannot be administered like 401 (k) plans--that is, account contributions each pay period...

... administrative practices. Today's debate centers largely over whether to add individual investment accounts to Social Security , similar to savings vehicles currently found in the form of employment-based "defined contribution" retirement plans.(2)

Although adding individual accounts (IAs) to Social Security is a highly political issue, an objective examination of how to administer such accounts raises concerns that cut across ideology. Consider the following:

\* Social Security policy directly affects 96 percent of the U.S. work force and their employers every...

...period (Committee on Ways and Means 1998).

\* Over twice as many workers are covered by Social Security as the number of individuals in the United States who own shares in mutual funds

(Investment Company Institute 1998). Administering IAs for almost 148 million workers covered by Social Security would be possibly the largest undertaking in the history of the U.S. financial services...

...include at least seven times the number of currently active 401 (k) accounts.(3)

Because Social Security is such a large program, dissatisfaction (for example, from over- or under-regulation) with administering...

...could actually be implemented, at what cost, and over what time period. Uncertainties Abound

Providing Social Security IAs to all covered workers would impose uncertain administrative costs. For instance, uncertainty exists over...

...employee populations covered under the voluntary employment-based system differ meaningfully from those covered by Social Security .

Standard Ongoing Administrative Costs

Ongoing administrative costs usually associated with any kind of IA include...

...Design Largely Determines Expenses

The magnitude of the additional costs for administering two fairly distinct Social Security systems is highly dependent on how IAs are

designed. Design details vary across reform plans...

...cost questions and explore many possible answers and implications in the context of the current **Social Security** debate.

Holders and Providers of Recordkeeping for Accounts

One mutual fund industry expert observes that...the way 401 (k) plans are operated today. This method is proposed in the Individual **Social Security** Retirement Accounts Act of 1997 (H.R. 2929),(15) the Savings Account for Every American (S.A.F.E.) Act of 1998 (H.R. 3683),(16) and in the **Social Security** Solvency Act of 1998 (S. 1792).(17)

With 401 (k) plans, employers are required to deposit account contributions soon after contributions are made.(18) However, this requirement would significantly increase administrative expenses...

...not likely to the same degree, if employees and employers could opt out of the **Social Security** system and instead deposit payroll contributions to employment-based defined contribution plans. However, alternative arrangements...pressures and political risk that prompted proposals for IAs to replace part of the current **Social Security** system in the first place.

Investment Choices and Services

Valuation Periods

One large determinant of...

...If such a correlation existed for all plans, then a mandatory system of IAs for **Social Security** would have very low per-participant costs, as **Social Security** covers nearly 148 million workers. However, the types of economies of scale that appear to...financial service provider to recoup its start-up costs on the account (Dickson 1998).(30)

**Social Security** IA Coverage

In contrast to the voluntary, employment-based system, **Social Security** coverage is almost universal, and no one has proposed placing participation restrictions on IAs.(31...)

...example, IA participants would have lower earnings: In 1996, 46 percent of workers covered by **Social Security** had annual incomes of \$15,000 or less, while persons earning less than \$15,000...

...k) type of plan).

Some policymakers and researchers dismiss the significance of the proportion of **Social Security** participants with low earnings by arguing that covering low earners is not administratively costly in...

...ones who earn small amounts.

In addition to having lower earnings, the population covered by **Social Security** IAs would likely be more mobile than those covered by the employment-based retirement system...

...over 220 million W-2 reports for just 132 million workers in 1993, suggesting that **Social Security** covers many workers holding multiple jobs or changing jobs over the course of a year...

...voluntary retirement plan, including defined contribution plans (Employee Benefit Research Institute 1997). By comparison, like **Social Security** today, universal participation in IAs would affect virtually all employers, including those with fewer employees.(34) For example, 14 million self-employed individuals report wages to the **Social Security** Administration (SSA); 37 percent of the 6.5 million employers reporting wages to SSA (excluding...)

...fewer workers; and 23 percent (1.5 million employers) have only one employee (U.S. **Social Security** Administration 1998, unpublished data).

Implications for the cost of an IA system are twofold. First...would otherwise be the case if employers had to hold small accounts indefinitely.

If small **Social Security** IA balances for persons who leave the labor force were not able to be cashed...

...issue account statements and educational materials would need to constantly keep track of those persons. Social Security does not currently keep up-to-date address information on every working-age person, or...

...small accounts pay lower investment management fees.(38) If flat fees were applied to all Social Security IAs, these fees would disproportionately affect those with smaller account balances, which would raise issues...

...retirement accounts, some speculate all the more regulation would be built around a mandatory individual Social Security system. The reasoning is that if the government forces people to save through these accounts...analysis with the EBRI-SSASIM2(43) model presented later, administrative costs are explicitly subtracted from Social Security benefits. While this could be the case in practice, administrative costs could also be imposed...

...are instead based on the assumption that administrative costs directly reduce benefits obtained through the Social Security program. This was the only way to make administrative costs explicit.

The analysis below also...

...were not offset by higher benefits, they might still be desirable. For example, the current Social Security system has been criticized as keeping its administrative costs low because it does not provide enough services for beneficiaries (Myers 1993). In each Social Security system, trade-offs exist between services and costs (Mitchell 1996).

#### Individual Account Balances

Because administrative costs under a system of individual Social Security accounts are largely uncertain for the reasons delineated earlier, table 2 presents benefit effects under...

...Real average annual indexed annuities(1) payable at age 62 from a 2-percent individual Social Security account(2)  
(In 1997 dollars)

Birth year	Low annuity loading/ loading/high and...begin in the year 1998 (table 2). Hence, workers born in 1946 contribute to individual Social Security accounts for 10 years (from ages 52-62), and workers born in 1960 participate for...
------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

...highly sensitive to administrative costs.

#### Policy Implications

Despite their importance, administrative details about how individual Social Security accounts would operate have been largely unaddressed by a majority of IA proponents. Even when...

...variations can create differences of thousands of dollars in annual benefits, even under an individual Social Security account system based on just a 2-percent annual salary contribution. Once proponents develop their...

...administrative feasibility and costs should be researched in detail. Administrative costs and options for individual Social Security accounts will require separate analysis that cannot be obtained simply by looking at the experiences...

...gathered, broad claims about the overall administrative feasibility or unfeasibility, efficiency or inefficiency of individual Social Security accounts will continue to largely reflect opinion and political desires, rather than substantive fact.

Notes...

...companies.

(4) Despite substantial dissatisfaction among certain groups with projected low moneys-worth returns on Social Security contributions, general opinion surveys suggest that the public's dissatisfaction with the current Social Security system is based on lack of confidence in the system's ability to provide future...

...Dissatisfaction with the administration of an IA system could undermine support and/or confidence in Social Security, depending on the extent to which over-or under-regulation inconvenienced or cost households, employers, or financial service providers.

(5) For an overview of issues under the current Social Security system that are giving rise to interest in individual Social Security account reform, see Olsen and VanDerhei (1996).

(6) Employers must perform tests and paper work...

...McGough (1998).

(9) For example, IA marketing expenses have been of concern in the Chilean Social Security system (Shah 1997).

(10) One reporter writes, "Some experts wonder if the (financial services) industry...withhold federal income tax from employee compensation and are subject to withholding and payment of Social Security and/or Medicare taxes are required to file Form 941 (O'Toole 1998). For a..."

...employee's wages is deducted by the employer and paid to the employee's individual Social Security retirement account within 10 business days after the date of payment of such wages ... The...

...employed by a minority of the approximately 6.5 million U.S. employers (U.S. Social Security Administration 1998; unpublished), it stands to reason that a majority of employers do not offer...

...taxpayers with a year-end tax credit, which they would have to invest in their Social Security accounts. Since the government would keep the money until this time, a float period would...

...start-up costs" (Dickson 1998).

(31) For a description of workers who are exempt from Social Security participation, see Myers (1993), pp. 33-47.

(32) Defined as wages equal to or less...

...48-49.

(34) Almost every kind of employment is required to include participation in the Social Security program (Myers 1993). Some state and local employers who opted out of the program have...on TSP loans for an idea of compliance issues that might arise under an individual Social Security account system requiring spousal consent for distributions.

(37) The Social Security program needs to keep track of participants' addresses only when they are beneficiaries, not over their entire lives. Presumably, individuals receiving regular Social Security checks have a greater incentive to keep the administration abreast of their current information. However...

...For a discussion of the challenge of explaining the basics of benefits under the current Social Security program, see U.S. General Accounting Office (1996b).

(43) For background on the model, see...

...of this comparison.

(45) Plans such as the IA plan, offered by the 1994-96 Social Security Advisory Council (SSAC); H.R. 4256 (sponsored by Reps. Jim Kolbe (R-AZ), Charles Stenholm...

...The differences in dollar benefits are attributable to real wage growth

Robert Finley

between the generations, as Social Security initial defined benefit calculations take into account real wage growth.

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...Institute (EBRI). Dallas Salisbury is still with EBRI, while Kelly Olsen is currently with the Social Security Administration's Office of Policy, Office of Retirement Policy.3

...DESCRIPTORS: Social security --

12/3,K/7 (Item 7 from file: 148)  
DIALOG(R)File 148:Gale Group Trade & Industry DB  
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11584274 SUPPLIER NUMBER: 55330150 (USE FORMAT 7 OR 9 FOR FULL TEXT)  
OECD economic surveys 1998-1999: Ireland.  
OECD Economic Surveys - Ireland, 1(1)  
May, 1999  
LANGUAGE: English RECORD TYPE: Fulltext  
WORD COUNT: 55031 LINE COUNT: 04473

... have been cut; allowances have been raised; the standard rate bands have been widened; and social security contribution rates have been lowered. Social welfare reforms in recent years (to housing, family income

...7

Non-government current account	15.6	22.0	28.8	30.8
Non-government deposit account	12.4	16.0	22.1	15.8

Others 4.3 6.4 2.9...1999 to  
2003, 500 million for the following five years and then half of all social security contributions. Assuming the fund was able to earn a real return of 5 per cent...the importance of the interaction between taxes and benefits (by, for example, making unemployment and disability benefit liable to income taxation) and has responded to some of the suggestions made in...measures

1997

January

The 1997 Budget is presented. It includes reductions in personal tax and social security contributions worth £(pounds) 393 million in a full year. The 38 per cent rate...

12/3,K/8 (Item 8 from file: 148)  
DIALOG(R)File 148:Gale Group Trade & Industry DB  
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11421350 SUPPLIER NUMBER: 55671985 (USE FORMAT 7 OR 9 FOR FULL TEXT)  
Financial and Business Statistics.(statistical tables)(Illustration)(Statistical Data Included)  
Federal Reserve Bulletin, 85, 8, A1  
August, 1999  
DOCUMENT TYPE: Illustration Statistical Data Included ISSN: 0014-9209  
LANGUAGE: English RECORD TYPE: Fulltext; Abstract  
WORD COUNT: 19951 LINE COUNT: 05755

... IO Interest only

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IPCs Individuals, partnership, and corporations  
IRA Individual retirement account  
MMDA Money market deposit account  
MSA Metropolitan statistical area  
NOW Negotiable order of withdrawal  
OCD Other checkable deposit  
OPEC Organization...252 48,098 20,586

(1) Since 1990, off-budget items have been the social security trust funds (federal old-age survivors insurance and federal disability insurance ) and the US Postal Service.

(2) Includes special drawing rights (SDRs); reserve position on the

...

...008 54,919 25,080

27 Health		123,843	131,440	61,809
28 Social security	and			
Medicare	555,273	572,047	278,863	
29 Income security			230,886	233,202 124...
851	25,928	27,760		

27 Health		63,552	65,053	67,836
28 Social security	and Medicare	283,109	286,305	316,809
29 Income security		106,353	125,196	109...

...319 4,202 4,464

27 Health		11,988	12,284	10,657
28 Social security	and Medicare	49,846	51,816	44,519
29 Income security		27,065	24,420	12...

...revisions from the Budget have not been fully distributed across months.

(2) Old-age, disability, and hospital insurance, and railroad retirement accounts.

(3) Federal employee retirement contributions and civil service retirement and disability fund .

(4) Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.

(5) Includes interest...mutual savings banks, corporate pension trust funds, dealers and brokers, certain U.S. Treasury deposit accounts , and federally sponsored agencies.

SOURCE. U.S. Treasury Department, data by type of security, Monthly Statement...

12/3,K/9 (Item 9 from file: 148)  
DIALOG(R)File 148:Gale Group Trade & Industry DB  
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07622291 SUPPLIER NUMBER: 16427591 (USE FORMAT 7 OR 9 FOR FULL TEXT)  
Financing American health security: the securitization of healthcare receivables.

Harrell, Charles E.; Folk, Mark D.  
Business Lawyer, 50, n1, 47-97

Nov, 1994

ISSN: 0007-6899 LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT; ABSTRACT  
WORD COUNT: 26967 LINE COUNT: 02235

... plans that meet specified federal requirements. With respect to the reassignment of Medicaid payments, the Social Security Act provides as follows:

A State plan for medical assistance must--  
(32) provide that no...

...exempt from certain federal medicaid laws.(31) Because section 1315

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codifies section 1115 of the **Social Security Act**, the statutory exemptions have become known as "1115 Waivers." In particular, section 1315(a)...

...Anti-Assignment Provisions

The Medicare and federal Medicaid anti-assignment provisions were added to the **Social Security Act** by the **Social Security Amendments of 1972** to curb the perceived abuses of the Medicare and Medicaid programs that...

...determinations of reasonable charges and recovery of overpayments."(34)

The anti-assignment provisions of the **Social Security Act** were amended in 1977 by the Medicare-Medicaid Antifraud and Abuse Amendments, which, among...for spouses and children of veterans who are entitled to permanent and total service-connected disability benefits and to widows and children of veterans who died in the line of duty...9-104(g) (interests or claims in or under insurance policies), and 9-104(l) (deposit accounts ) are the exclusions reviewed in this Article.

Perfection of Security Interests in Government Healthcare Receivables

...

...by transactions in particular types of property."(181) The applicable federal healthcare statutes, namely the **Social Security Act** and the statutes relating to IHS contract health services, the VA program, and the

...

...under the exclusive dominion and control of the healthcare provider. Because lock-box accounts are " deposit accounts , however, and are excluded from the U.C.C. by section 9-104(1), a...

...other than California.(187) Due to the uncertainty in (i) perfecting a security interest in deposit accounts , and (ii) obtaining a security interest in government receivables that is enforceable against the government...power. Larkin, *supra* note 4.

(18.)Medicare is a federal healthcare program created by the **Social Security Amendments of 1965**. Pub. L. No. 89-97, 79 Stat. 286 (1965). The program is...

...R. [sections] 405.1668(a) (1987) ("This section [i]mplements section 1815(c) of the [ Social Security ] Act"). (Section 1815(c) of the **Social Security Act** is codified at 42 U.S.C. [sections] 1395g(c) (1988)).

(22.)42 U...health programs pursuant to "1915(b) waivers" from HCFA. Section 1915(b) of the **Social Security Act** is codified at 42 U.S.C. [sections] 1396n (1988). 1915(b) Waivers should not...

...supplier enters into an arrangement in contravention of id. [sections] 424.80).

Neither the **Social Security Act** nor the federal Medicaid regulations specify enforcement penalties for violations of the anti-assignment provisions...York Health and Hospitals Corporation under the "governmental agency or entity" exception to the **Social Security Act** discussed *supra* notes 22, 26 & 27 and accompanying text. See Letter from Robert G. Eaton...statute, codified at 38 U.S.C. [sections] 454 (1988). Although the cases concern disability, not healthcare, benefits and reach opposite results, they demonstrate the two-fold purpose of the VA...

...Bostrom, 236 N.W. 732, 735 (N.D. 1931) (in upholding an assignment of disability benefits from an erroneous beneficiary to the rightful beneficiary, the court reasoned that although "[t]he proceeds [of VA disability benefits ] cannot be assigned so as to compel the United States to pay to the assignee...

...Yake, 183 A. 555, 556 (Md. 1936) (in invalidating a veteran's assignment of disability payments to his estranged spouse in an annulment decree, the court noted that the VA anti...rights are just a portion of the

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Secretary's overpayment recovery powers under the Social Security Act . The overpayment recovery implementing regulations, 42 C.F.R. [sections] [sections] 405.301 to .376...offset procedure, however, is not available for payments made by the government under the Social Security Act . 31 U.S.C. [sections] 3701(d).

(169.)48 C.F.R. [sections] 1.101...California is the only state with a statutory exception to the general rule that deposit accounts are excluded from Article 9 of the U.C.C. CAL. COM. CODE [sections] 9104 cmt...

12/3,K/10 (Item 10 from file: 148)  
DIALOG(R)File 148:Gale Group Trade & Industry DB  
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07305540 SUPPLIER NUMBER: 16124918 (USE FORMAT 7 OR 9 FOR FULL TEXT)  
Recent developments and prospects. (OECD Economic Surveys 1993-1994:  
Portugal)  
OECD Economic Surveys - Portugal, p11(18)  
June, 1994  
ISSN: 0376-6438 LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT  
WORD COUNT: 6961 LINE COUNT: 00595

... branches of Portuguese banks), largely reflecting hedging behaviour by financial institutions and the opening of deposit accounts abroad by non-financial residents in the wake of financial liberalisation. In this way, Portuguese...on public debt. In contrast, current transfers surged as the recession deepened, pushing up the social security deficit. The overshoot in capital expenditure, mainly due to transfers, is likely to be partly...inflation rate, eliminating automatic tax allowances for housing maintenance, bringing taxes on old-age and disability pensions more in line with income taxation of dependent workers, and abolishing or lowering tax...

...spending will also result from the implementation of the pension reform voted in 1993. The social security reform increases the female retirement age from 62 to 65 years over a six-years...

12/3,K/11 (Item 11 from file: 148)  
DIALOG(R)File 148:Gale Group Trade & Industry DB  
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06504769 SUPPLIER NUMBER: 14055517 (USE FORMAT 7 OR 9 FOR FULL TEXT)  
Economic well-being of the old: family unit income and household wealth.  
Radner, Daniel B.  
Social Security Bulletin, 56, n1, 3-19  
Spring, 1993  
ISSN: 0037-7910 LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT; ABSTRACT  
WORD COUNT: 12220 LINE COUNT: 00962

... that, relative to the young old, the old old were concentrated at lower income levels. Social Security benefits and property income were more important for the old old than for the young...separated into five income types: (1) Earnings (wages and net income from self-employment); (2) Social Security (OASDI) benefits; (3) property income (primarily interest, dividends, and rent); (4) pensions and annuities (retirement, survivor, and disability income other than Social Security ); and (5) other income (all other regularly received income types, including Supplemental Security Income).(5...the income of all family members was summed. For the old old as a whole, Social Security benefits were the most important income type, accounting for 36 percent of total family unit

...other family members. Earnings accounted for only 3 percent of total income using that definition. Social Security benefits accounted for 47 percent, property income for 32 percent, and pensions or annuities for...

...subgroups of the old old (table 5). For widows living alone, earnings were negligible, and Social Security benefits (48 percent) and property income (36 percent) accounted for 84 percent of total income...

...income. For other females, however, earnings was the most important type (35 percent), followed by Social Security (27 percent) and property income (21 percent). The percentages for males were similar to those...

...income of "typical" units in the group. For the old old group as a whole, Social Security benefits were more important and earnings and property income were less important for the middle...

...was examined, it was found that for each subgroup property income was less important and Social Security benefits were more important than for the subgroup as a whole. Earnings was less important...

...60 percent (and negligible for widows living alone in both cases). For widows living alone. Social Security accounted for 69 percent of total income, property income for 17 percent, and pensions for...rental property, vacation homes, and other real estate. Financial assets include savings accounts, money market deposit accounts , certificates of deposit, checking accounts, money market funds, U. S. Government securities, municipal and corporate...

...debt), U.S. savings bonds, Individual Retirement Accounts and Keogh plans, and other financial assets. Social Security wealth and pension wealth are not included in assets.

Unsecured debt includes credit card and...income received from the business by the owner, rather than as net profit), property income, Social Security and railroad retirement benefits, Supplemental Security Income payments, government and private pensions, other transfer payments... described earlier. (16) For the bottom income quintile of persons in the old old group, Social Security benefits were even more important (81 percent) and earnings (1 percent) and property income (5...threshold for aged two-person families.

(\*) Division of Economic Research, Office of Research and Statistics, Social Security Administration.

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...1992), "The Economic Status of the Aged," Social Security Bulletin, Vol. 55, No. 3, pp. 3-23...

12/3,K/12 (Item 12 from file: 148)  
DIALOG(R)File 148:Gale Group Trade & Industry DB  
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06219806 SUPPLIER NUMBER: 13277508 (USE FORMAT 7 OR 9 FOR FULL TEXT)  
U.S. mergers and acquisitions. (The M&A Rosters: First Quarter 1992)  
Mergers & Acquisitions, 27, n1, 65(69)  
July-August, 1992  
ISSN: 0026-0010 LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT  
WORD COUNT: 79730 LINE COUNT: 07395

... bids for the bank. It has deposits totaling \$90.8 million in approximately 1,600 deposit accounts that includes \$1.2 million in 47 accounts that exceed the federal insurance limit of...products such as interest bearing and non-interest bearing transaction accounts, savings deposit and time deposit accounts , trust services for employee benefit plans, corporate, and other organizations and individuals. Its principal

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bank...as part of HUBCO's largest banking subsidiary, Hudson United Bank, and HUBCO will move deposit accounts at the Market Street branch to the Twenty- First Avenue branch, and the Jefferson and...

...in central Florida. Its subsidiaries provide mortgage banking, lease financing, discount brokerage services, credit life disability insurance, and other financial services and products through 48 offices in seven states. Its principal...Its services include speech-language pathology, occupational therapy, and physical therapy to patients experiencing physical disability resulting from stroke, degenerative neurological disorders, and orthopedic problems. Its Orthopedic Services Inc. subsidiary is...offering universal life and cancer insurance. It markets annuities and investment, credit life, and disability products through financial institutions to their customers. Employers National Insurance, 50-percent-owned by Employers Casualty...

12/3,K/13 (Item 13 from file: 148)  
DIALOG(R)File 148:Gale Group Trade & Industry DB  
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06207970 SUPPLIER NUMBER: 13606134 (USE FORMAT 7 OR 9 FOR FULL TEXT)  
Economic policy. (Switzerland)  
OECD Economic Surveys - Switzerland, p40(28)  
Oct, 1992  
ISSN: 0376-6438 LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT  
WORD COUNT: 8228 LINE COUNT: 00635

... portfolio holders shifted funds out of cash holdings and sight deposits into high yielding time deposit accounts so that M1 fell and M2 grew rapidly in both years. Hence, the notion of...Swiss short-term interest rates.

Widening government deficits

Overview

The deficit in government finances (excluding social security) in 1991 was much higher than budgeted originally. From 1990 to 1991 it more than...

...deficit of SF 1 billion. Preliminary statistics point to another sizeable financial surplus of the social security system(21) -- of the order of SF 2.9 billion in 1991 -- but this was insufficient to prevent the consolidated account of government and social security from swinging from a small surplus in 1990 to a deficit of 1.6 per...

...TABULAR DATA OMITTED

Cyclically-adjusted budget balances

The deteriorating financial accounts of government and the social security system resulted partly from the cyclical downturn of the economy: payments of unemployment insurance benefits...federal contributions to the health insurance system and an exceptional adjustment of old-age and disability pensions to high inflation in 1990. As a normal feature of the Swiss tax TABULAR...increasing payments to other levels of government (especially cantons), to the federal railroads and the social security system. Transfers to the private sector are elevated by payments to the health insurance system...

12/3,K/14 (Item 14 from file: 148)  
DIALOG(R)File 148:Gale Group Trade & Industry DB  
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06102703 SUPPLIER NUMBER: 12510901 (USE FORMAT 7 OR 9 FOR FULL TEXT)  
The buck stops with you: an investment plan can help you corral some of your earnings. (includes related information)  
Klaasen, June

Robert Finley

Real Estate Today, v25, n7, p44(5)

August, 1992

CODEN: RESTDR ISSN: 0034-0804 LANGUAGE: ENGLISH

RECORD TYPE: FULLTEXT; ABSTRACT

WORD COUNT: 2390 LINE COUNT: 00214

... coverage. Be sure you're covered against the loss of income due to death or disability. Also, have insurance for medical care, property losses, and liability losses. An uninsured expense can...comes along.

To compete with the money market mutual funds, most banks have money market deposit accounts. Brokerage house funds generally have fewer restrictions than deposit accounts, however.

There are several kinds of money market mutual funds, ranging from standard funds to... Social Security

12/3,K/15 (Item 15 from file: 148)  
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05902826 SUPPLIER NUMBER: 12303134 (USE FORMAT 7 OR 9 FOR FULL TEXT)  
Income, assets, and health insurance: economic resources for meeting acute health care needs of the aged.  
Del Bene, Linda; Vaughan, Denton R.  
Social Security Bulletin, 55, n1, 3-25  
Spring, 1992  
ISSN: 0037-7910 LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT; ABSTRACT  
WORD COUNT: 15863 LINE COUNT: 01307

... 00 or more..... 20.1  
Contingency assets include regular or passbook savings accounts, money market deposit accounts, certificates of deposit and other savings certificates, checking accounts of all types, money market funds...

...and Medicaid. All persons age 65 or older who are entitled to benefits under the Social Security program (Old-Age, Survivors, and Disability Insurance--OASDI) are eligible for Medicare; therefore, virtually all the aged are Medicare covered.(11...also show significant variation by type of coverage?(20)

The SIPP module on health and disability provides information on the general health status of each adult. This measure characterizes the perceived...for acute care that exceed their personal resources.

The Office of Research and Statistics (ORS), Social Security Administration, has recently begun development of a SIPP-based Federal SSI simulation model that would...both HI and SMI, 807,000 by HI only and 459,000 by SMI only (Social Security Administration 1987, p. 236).

The HI deductible was \$356 for the first 60 days of...

...couple is considered, regardless of the presence of other relatives in the household.

(13) See Social Security Administration (1991, pp. 62-66) and Waid (1990, pp. 171-172) for information regarding Medicaid...1988) directly from the SIPP public use files. As discussed by Bye and Gallicchio, when Social Security and related populations are of interest, their generalized parameters are preferred over the program participation...

...of physician visits and hospital stays was obtained in the SIPP module on health and disability. Comparisons of the SIPP estimates to those from the National Health Interview Survey are given...

...called attention to the potential contribution of the SIPP for research on health insurance coverage, disability, and health care utilization. We have approached these issues from a somewhat different perspective, using

...had been under development for some time as part of a larger effort at the Social Security Administration (SSA) to exploit the SIPP as a source of information on the social and economic characteristics of Social Security beneficiaries, Supplemental Security Income (SSI) recipients, and the aged and disabled populations from which they...on health status (TM8334) was collected in the wave 3 topical module on health and disability . It is basically a subjective, self-rated measure of the sample person's health; however...annual reimbursement for all aged enrollees was 97 percent of the average for all enrollees ( Social Security Administration 1987, tables 152 and 153). Also, the average annual expenditure per noninstitutionalized aged enrollee...

...Population Reports, Series P-70, No. 7. Washington, DC: U.S. Government Printing Office.

.1986b. " Disability , Functional Limitation, and Health Insurance Coverage: 1984-85." Current Population Reports, Series P-70, No...

...Bye, Barry V. and Salvatore J. Gallicchio. 1988. "A Note on Sampling Variance Estimates for Social Security Program Participants From the Survey of Income and Program Participation." Social Security Bulletin 51 (10): 4-21.

Cafferata, Gail Lee. 1984. "Private Health Insurance Coverage of the

...

...Health Care Financing Review 5 (1): 33-43.

Grad, Susan. 1989. "Income and Assets of Social Security Beneficiaries by Type of Benefit." Social Security Bulletin 52 (1): 2-10.

Long, Stephen H. and Nancy M. Gordon. 1989. "Updated Estimates... Mueller, Marjorie Smith. 1972. "Private Health Insurance in 1971: Population Coverage, Enrollment, and Financial Experience." Social Security Bulletin 35 (2): 3-19.

.1974. "Private Health Insurance in 1972: Health Care Services, Enrollment, and Finances." Social Security Bulletin 37 (2): 20-40.

Radner, Daniel B. 1989. "Net Worth and Financial Assets of Age Groups in 1984." Social Security Bulletin 52 (3): 2-15.

Ries, Peter. 1987. "Health Care Coverage by Sociodemographic and Health..."

...The Case of the 'Tweener.' Journal of Policy Analysis and Management 5 (4): 707-724.

Social Security Administration. 1987. Annual Statistical Supplement to the Social Security Bulletin. Washington, DC: U.S. Government Printing Office.

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Vaughan, Denton R. 1989.

"Development and Evaluation of a Survey-Based Type of Benefit Classification for the Social Security Program." Social Security Bulletin 52 (1): 12-26.

and Bernard Wixon. 1991. "Implementation of a SSI Model Using...

12/3,K/16 (Item 16 from file: 148)  
DIALOG(R)File 148:Gale Group Trade & Industry DB  
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05805395 SUPPLIER NUMBER: 11860896 (USE FORMAT 7 OR 9 FOR FULL TEXT)  
Winning combinations. (insurance products should work together for the individual)

Pond, Donald H., Jr.  
Best's Review - Life-Health Insurance Edition, v92, n10, p47(4)  
Feb, 1992

Robert Finley

ISSN: 0005-9706 LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT; ABSTRACT  
WORD COUNT: 2999 LINE COUNT: 00238

...ABSTRACT: that fulfill this need. For instance, a whole life policy may be augmented by a **disability** plan and an annuity. Group plans and individual policies can be combined in ways that...

12/3,K/17 (Item 17 from file: 148)  
DIALOG(R)File 148:Gale Group Trade & Industry DB  
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04165998 SUPPLIER NUMBER: 07729803 (USE FORMAT 7 OR 9 FOR FULL TEXT)  
The saving solution.  
Swanson, Thomas E.  
Business Economics, v24, n3, p10(7)  
July, 1989  
CODEN: BECODS ISSN: 0007-666X LANGUAGE: ENGLISH  
RECORD TYPE: FULLTEXT  
WORD COUNT: 4368 LINE COUNT: 00355

... it is worthwhile to point out its limitations. Specifically, the Commerce Department savings rate excludes **Social Security**, capital gains, Federal retirement plans, education and training, home equity build-up and increases in...

...Funds	414
Land Holdings	387
Corporate Equity Holdings	250
Stock of Consumer Durables	208
Checkable Deposit Accounts	
and Currency	204
Time and Savings Accounts	195
Life Insurance Equity	88
Net Savings	151...

...far faster than for any other age group. Another factor is that the availability of **Social Security** alone probably knocked the savings rate down by a percentage point.(12)

In addition, individuals...

...payments were made by individuals compared to 9 percent in the mid-1980s.(13) Improved **disability** and life insurance plans also possibly could have reduced savings needs.

Despite all of these...System has, in the past, been a huge repository of tax-free savings.

3. The **Social Security** systems in other countries are less protective than in the U.S. In Japan, for example, **Social Security** starts at 60 but lifetime jobs end at 55, leaving five years of retirement to...

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File 20:Dialog Global Reporter 1997-2006/Dec 04  
(c) 2006 Dialog

Set	Items	Description
S1	133036	SOCIAL()SECURITY
S2	104468	DISABILITY
S3	24778	DEPOSIT()(ACCOUNT OR ACCOUNTS)
S4	6172227	(THIRD OR 3RD)()(PARTY OR PARTIES) OR INDEPENDENT?? OR PRIVATE??
S5	5881220	INSURANCE OR COVERAGE OR BENEFIT OR BENEFITS
S6	11587747	AUTHORI??? OR AUTHORI?ING OR CONSENT OR PERMISSION? ? OR ALLOW?? OR PERMIT?? OR APPROV??? OR AGENT? ? OR DELEGATE? ? OR REPRESENTATIVE? ? OR BROKER? ?
S7	293525	OVERPAYMENT OR OVERPAY OR OVERPAID OR (DUPLICAT??? OR DOUBL???) OR REDUNDAN?? OR REPEAT??? OR MULTIPLES OR DOUBLE OR OVERR)(8N)(PAY OR PAID OR PAYMENT OR PAYMENTS)
S8	4	S1 AND S2 AND S3
S9	1	S8 NOT PY>2000

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9/3,K/1  
DIALOG(R)File 20:Dialog Global Reporter  
(c) 2006 Dialog. All rts. reserv.

05945633 (USE FORMAT 7 OR 9 FOR FULLTEXT)  
**Banks' Incentives Not Always Enough to Retain Low-Income Customers**  
Liz Benston  
KRTBN KNIGHT-RIDDER TRIBUNE BUSINESS NEWS (RECORD - STOCKTON, CALIFORNIA)  
June 27, 1999  
JOURNAL CODE: KRSC LANGUAGE: English RECORD TYPE: FULLTEXT  
WORD COUNT: 1403

(USE FORMAT 7 OR 9 FOR FULLTEXT)

...his picture taken for an identification card that will allow him to cash his government disability checks at a check cashing outlet downtown, Carlos Salazar stepped into the afternoon sunshine and...  
... charges, experts say.

And the federal government is stepping in on behalf of those receiving Social Security checks and federal aid recipients to develop programs that would direct deposit those checks into...

... banking relationship for people of low income, said Richard Stanley, Stockton district manager of the Social Security Administration.

Added Richard Vote, deputy director of the San Joaquin County Human Services Agency, the...

... Joaquin County, more than 50,000 people receive welfare checks. About 100,000 people receive Social Security or Supplemental Security Income benefits in San Joaquin County.

But despite efforts to make banking...

... process for people who have traditionally relied on check-cashing outlets and other sources.

The Social Security Administration is awaiting the results of a test in Kentucky that sets up an electronic account for Social Security recipients who do not have bank accounts. Under the program, SSA electronically transfers funds to...by offering their own direct-deposit deals.

Some local check cashing outlets now offering direct deposit accounts maintained by Western Union. And this month, Citibank partnered with the National Check Cashers Association...

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File 2:INSPEC 1898-2006/Nov W4  
(c) 2006 Institution of Electrical Engineers  
File 35:Dissertation Abs Online 1861-2006/Nov  
(c) 2006 ProQuest Info&Learning  
File 65:Inside Conferences 1993-2006/Dec 01  
(c) 2006 BLDSC all rts. reserv.  
File 99:Wilson Appl. Sci & Tech Abs 1983-2006/Sep  
(c) 2006 The HW Wilson Co.  
File 256:TecInfoSource 82-2006/May  
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File 474:New York Times Abs 1969-2006/Dec 04  
(c) 2006 The New York Times  
File 475:Wall Street Journal Abs 1973-2006/Dec 02  
(c) 2006 The New York Times  
File 583:Gale Group Globalbase(TM) 1986-2002/Dec 13  
(c) 2002 The Gale Group  
File 169:Insurance Periodicals 1984-1999/Nov 15  
(c) 1999 NILS Publishing Co.

Set	Items	Description
S1	13819	SOCIAL()SECURITY
S2	15841	DISABILITY
S3	677	DEPOSIT() (ACCOUNT OR ACCOUNTS)
S4	717342	(THIRD OR 3RD)() (PARTY OR PARTIES) OR INDEPENDENT?? OR PRIVATE???
S5	613465	INSURANCE OR COVERAGE OR BENEFIT OR BENEFITS
S6	1786220	AUTHORI??? OR AUTHORI?ING OR CONSENT OR PERMISSION? ? OR ALLOW?? OR PERMIT?? OR APPROV??? OR AGENT? ? OR DELEGATE? ? OR REPRESENTATIVE? ? OR BROKER? ?
S7	14577	OVERPAYMENT OR OVERPAY OR OVERPAID OR (DUPLICAT??? OR DOUBL???) OR REDUNDAN?? OR REPEAT??? OR MULTIPLES OR DOUBLE OR OVERR)(8N)(PAY OR PAID OR PAYMENT OR PAYMENTS)
S8	603	S1 AND S2
S9	0	S1 AND S3
S10	4	S8 AND S7
S11	3	S10 NOT PY>2000

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11/3,K/1 (Item 1 from file: 35)  
DIALOG(R)File 35:Dissertation Abs Online  
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779788 ORDER NO: AAD82-08041  
LABOR SUPPLY AND HEALTH CARE INCENTIVES UNDER DISABILITY INSURANCE  
Author: SLADE, FREDERIC PAUL  
Degree: PH.D.  
Year: 1981  
Corporate Source/Institution: UNIVERSITY OF PENNSYLVANIA (0175)  
Source: VOLUME 43/01-A OF DISSERTATION ABSTRACTS INTERNATIONAL.  
PAGE 230. 142 PAGES

LABOR SUPPLY AND HEALTH CARE INCENTIVES UNDER DISABILITY INSURANCE

A major characteristic of the Social Security Administration's Disability Insurance (DI) program has been the significant recent growth in the program. Benefit payments in 1975 were over four times what they were in 1966. Since the definition of disability is both work and health dependent, this has focused my attention to the effectiveness of...

...2-period, 2-state insurance model under uncertainty which incorporated two general types of insurance- disability insurance and the individuals "own" insurance or risk-bearing. Own insurance was represented by two...  
...Longitudinal Retirement History Study (LRHS), consisting of males aged 58-63 who were eligible for disability benefits. The regression coefficients implied an elasticity of expenditures on prescription drugs with respect to...

...innoculations with respect to benefits of about -.02.  
The examination of labor supply effects under Disability Insurance involved the effect of the disability benefit structure (potential benefits) on labor force participation.  
Maximum likelihood probit estimates of labor force...

...results obtained here suggest a mixed response to the question of altering or dismantling the Social Security Disability Insurance system on efficiency grounds. The relatively insignificant labor supply and health care efficiency losses...

11/3,K/2 (Item 1 from file: 583)  
DIALOG(R)File 583:Gale Group Globalbase(TM)  
(c) 2002 The Gale Group. All rts. reserv.

09416457  
Pay more Socso  
MALAYSIA: SOCSO TO RECEIVE HIGHER CONTRIBUTIONS  
The Star (XAT) 01 Dec 2000 p.1&3  
Language: ENGLISH

The Malaysian government will soon require members of Social Security Organisation (Socso) to boost their contributions to the Socso scheme, which provides compensation fund for...

... amend the existing Socso Fund Act. The move is due to the amount of compensation paid out to workers have risen sharply over the past few years, according to Dr Abdul Latiff Ahmad, Deputy Minister of Human Resources...

... Socso members (employer and employee) contributes a total of 1% from their salaries to the disability pension program.

COMPANY: SOCIAL SECURITY ORGANISATION; SOCSO

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11/3,K/3 (Item 2 from file: 583)  
DIALOG(R)File 583:Gale Group Globalbase(TM)  
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06367068

Social security pensions up 10%  
PHILIPPINES: 10% RISE FOR SSS PENSIONS  
Manila Bulletin (XAZ) 6 Sep 1996 p.1  
Language: ENGLISH

**Social security pensions up 10%**

On 5 September 1996, President Ramos announced a 10% increase across all outstanding social security and employees' compensation pensions in the Philippines. The announcement would mean over PP 4 bn in death, disability and retirement pensions will be paid out over the next five years to some 620,000 Social Security System (SSS) pensioners. \*

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File 348:EUROPEAN PATENTS 1978-2006/ 200648

(c) 2006 European Patent Office

File 349:PCT FULLTEXT 1979-2006/UB=20061130UT=20061123

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Set	Items	Description
S1	3262	SOCIAL()SECURITY
S2	5480	DISABILITY
S3	575	DEPOSIT()(ACCOUNT OR ACCOUNTS)
S4	576698	(THIRD OR 3RD)()(PARTY OR PARTIES) OR INDEPENDENT?? OR PRIVATE??
S5	324660	INSURANCE OR COVERAGE OR BENEFIT OR BENEFITS
S6	1642624	AUTHORI??? OR AUTHORI?ING OR CONSENT OR PERMISSION? ? OR ALLOW?? OR PERMIT?? OR APPROV??? OR AGENT? ? OR DELEGATE? ? OR REPRESENTATIVE? ? OR BROKER? ?
S7	3647	OVERPAYMENT OR OVERPAY OR OVERPAID OR (DUPLICAT??? OR DOUBL???) OR REDUNDAN?? OR REPEAT??? OR MULTIPLES OR DOUBLE OR OVERR)(8N)(PAY OR PAID OR PAYMENT OR PAYMENTS)
S8	96	S1 AND S2
S9	3	S8 AND S3

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9/3,K/1 (Item 1 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

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00899736 \*\*Image available\*\*

SYSTEM AND METHOD FOR FINANCIAL PLANNING AND CONSUMER DEBT ELIMINATION

SISTÈME ET PROCÉDÉ DE PLANIFICATION FINANCIÈRE

Patent Applicant/Inventor:

BARFIELD Steven T, 5140 Hyatt Drive, Acworth, GA 30101, US, US  
(Residence), US (Nationality)

Legal Representative:

MAYNARD Jeffrey C (agent), Draughon Professional Association, One  
Independent Drive, Suite 2000, Jacksonville, FL 32202, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200233873 A2-A3 20020425 (WO 0233873)

Application: WO 2001US32609 20011018 (PCT/WO US0132609)

Priority Application: US 2000692535 20001019

Designated States:

(Protection type is "patent" unless otherwise stated - for applications prior to 2004)

AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU CZ DE DK DM DZ  
EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ LC LK LR  
LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE SG SI SK SL  
TJ TM TR TT TZ UA UG UZ VN YU ZA ZW  
(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR  
(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 6990

Fulltext Availability:

Detailed Description

Detailed Description

... how much the customer should save as an emergency fund, as a hedge against unexpected disability or loss of employment. In a further alternate embodiment, the present teachings determine how much...for

example, name of the customer and the customer's spouse, respective dates of birth, social security numbers, a street address, and home and work telephone numbers. The customer is also asked...the primary breadwinner is taken away unexpectedly. Such insurance can include life insurance, health insurance, disability insurance, long-term care insurance, and the like. A preferred face amount of life insurance...

...s financial condition and project the customer's financial needs in retirement without relying on Social Security, but may include pension plans associated with the customer's employment.

Those steps identify the...Savings account.

The Retirement Savings account may be in the form of a standard bank deposit account or in the form of an investment account, such as a mutual fund, stocks, certificate...

9/3,K/2 (Item 2 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

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00792479 \*\*Image available\*\*

SYSTEM FOR WEB-BASED PAYROLL AND BENEFITS ADMINISTRATION

SISTÈME DE GESTION DU PAIEMENT DES SALAIRES ET DES AVANTAGES SOCIAUX PILOTE

Robert Finley

**PAR LE WEB**

**Patent Applicant/Assignee:**

EOPS INC, 888 Villa Street, Suite 500, Mountain View, CA 94041, US, US  
(Residence), US (Nationality), (For all designated states except: US)

**Patent Applicant/Inventor:**

KAHN David, 27858 Via Corita, Los Altos Hills, CA 94022, US, US  
(Residence), US (Nationality), (Designated only for: US)

SAINI Barinder Singh, 1919 Fruitdale Avenue, #1607, San Jose, CA 95128,  
US, US (Residence), IN (Nationality), (Designated only for: US)

KREIMER Svetlana, 2650 California Street, #41, Mountain View, CA 94040,  
US, US (Residence), RU (Nationality), (Designated only for: US)

FERGUSON Shelley B, 2173 2nd Avenue, Sacramento, CA 95818, US, US  
(Residence), US (Nationality), (Designated only for: US)

**Legal Representative:**

CHOU Chien-Wei (Chris) (et al) (agent), Oppenheimer Wolff & Donnelly LLP,  
1400 Page Mill Road, Palo Alto, CA 94304, US,

**Patent and Priority Information (Country, Number, Date):**

Patent: WO 200125992 A1 20010412 (WO 0125992)

Application: WO 2000US26620 20000927 (PCT/WO US0026620)

Priority Application: US 99411332 19991001

**Designated States:**

(Protection type is "patent" unless otherwise stated - for applications prior to 2004)

AE AL AM AT AU AZ BA BB BG BR BY CA CH CN CR CU CZ DE DK DM EE ES FI GB  
GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ LC LK LR LS LT LU LV MD  
MG MK MN MW MX NO NZ PL PT RO RU SD SE SG SI SK SL TJ TM TR TT UA UG US  
UZ VN YU ZA ZW  
(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE  
(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 36214

**Fulltext Availability:**

**Detailed Description**

**Detailed Description**

... the Employer's employees and/or contractors, including: personal information (e.g., name, employee number, social security number, date of birth, etc.), address information, company contact information (e.g., office, division, department...data 60 includes information regarding employee benefits, such as health insurance, dental insurance, life insurance, disability insurance, and 401(k) plans. The stored information includes: provider name and address, benefit plan... sub-calculations: (1) calculation of the employee's federal payroll taxes 1055, including income tax, social security (FICA), and Medicare payments; (2) calculation of the employee's state payroll taxes 1056, including income tax, disability tax, and unemployment tax payments, if applicable; (3) calculation of the employee's local payroll...

...that will be displayed by the system includes the following.

name, identification number (e.g., social security number), pay rate or salary, ...name.

"Employees" table 350 includes specific information about each of Employer's employees, including: name, social security number, address, zip code ID, and contact information.

"Company Payroll" table 360 includes information...in FIG. 4(b)) includes specific information about each employee and/or contractor, including: name, social security number, address, and contact information.

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"Employee Benefits" table 5 1 0 includes specific...input and modification of personal information regarding the selected employee, including: name, employee number, title, social security number, date of birth, marital status (selectable from pull-down menu 4130), race (selectable from...month and by type, for example, federal income tax, California income tax, FICA, Medicare, California disability tax, 401(k) contribution, pre-tax health insurance payments, etc. The user can refresh the...

...destination, the system displays and allows entry of information including: bank name, bank routing number, deposit account number, deposit account type (e.g., checking, savings), deposit method (e.g., fixed amount, percentage), and deposit amount...input and modification of personal information regarding the selected contractor, including: name, contractor number, title, social security number, date of birth, marital status (selectable from pull-down menu, race (selectable from pull...

9/3,K/3 (Item 3 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT  
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00755443 \*\*Image available\*\*

**CORPORATE INTRANET BANKING SYSTEM AND METHOD**  
**SYSTEME BANCAIRE DE RESEAU INTERNE D'ENTREPRISE ET PROCEDE ASSOCIE**

Patent Applicant/Assignee:

THE CHASE MANHATTAN BANK, 270 Park Avenue, 41st Floor, New York, NY 10017  
, US, US (Residence), US (Nationality)

Inventor(s):

BERRY Eugene, 200 East 66th Street, Apt. C804, New York, NY 10021, US,  
MOONEY James A, 160-43 27th Avenue, Flushing, NY 11358, US,

Legal Representative:

WEISBURD Steven I (et al) (agent), Ostrolenk, Faber, Gerb & Soffen, LLP,  
1180 Avenue of the Americas, New York, NY 10036, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200068853 A2 20001116 (WO 0068853)

Application: WO 2000US12559 20000509 (PCT/WO US0012559)

Priority Application: US 99133386 19990510; US 99427999 19991027

Designated States:

(Protection type is "patent" unless otherwise stated - for applications prior to 2004)

AE AG AL AM AT AU AZ BA BB BG BR BY CA CH CN CR CU CZ DE DK DM DZ EE ES  
FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ LC LK LR LS LT LU  
LV MA MD MG MK MN MW MX NO NZ PL PT RO RU SD SE SG SI SK SL TJ TM TR TT  
TZ UA UG UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 8997

Fulltext Availability:

Detailed Description

Claims

Detailed Description

... In one embodiment of the present invention, the HTML application provides online applications for Demand Deposit Accounts (DDA) which allow employees to fill out the forms online, print them and apply for...view, fill out and print the forms required to open new accounts such as Demand Deposit Accounts (DDA) savings accounts. Figs. 6-12 illustrate a sample of the various forms which are

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...  
Claim  
... account.

32 The method as recited in claim 25, wherein the account  
is a direct deposit account .

100

I 1 Oa.., --1 140 F- - - -

EMPLOYEE I I Ob

EMPLOYEE 120 170

cn...I 11

STATE ZIP CODE YEARS THERE OCCUPA1LON BUSINESS PHONE  
EMPLOYEE IDJ DATE OF BIRTH SOCIAL SECURITY MOTHERS MAIDEN NAME

3 JOINT APPLICANTS INFORMATION (REQUIRED FOR JOINT APPLICANTS)JOINT  
ACCOUNT 0 YESONO...

...I I r@ @1 m

STREET ADDRESS APTf CITY STATE ZIP CUDE  
DATE OF BIRTH SOCIAL SECURITY MOTHERS MAIDEN NAME

= = m r

4 STATEMENT FORMAT

YOU WILL RECEIVE IMAGE COPIES OF YOUR...

...Authorization

I am applying for the accounts and services checked above. I agree to the  
Deposit Account Agreement and Disclosures that will be mailed to me  
for these accounts and services. If...by The Chase Manhattan Bank  
complying with these Instructions (either before or after death or  
disability of the undersigned) prior to such date or receipt of such  
written notice. It is...the next pagb. liwe have received and agree to  
the terms and conditions of the Deposit Account Agreement and  
Disclosures currently in effect and as may be amended for the type of...

...DEPOSIT OF PAYROLL

EMPLOYER EMPLOYER ADDRESS cffy STATE ZIP CODE  
LAST NAME FIRST NAME Ml SOCIAL SECURITY

I r I = =

HOME ADDRESS APTf CRY STATE ZIP CODE YEARS THERE

I I I...

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File 347:JAPIO Dec 1976-2006/Aug(Updated 061130)

(c) 2006 JPO & JAPIO

File 350:Derwent WPIX 1963-2006/UD=200677

(c) 2006 The Thomson Corporation

Set	Items	Description
S1	382	SOCIAL()SECURITY
S2	1095	DISABILITY
S3	431	DEPOSIT()(ACCOUNT OR ACCOUNTS)
S4	2317142	(THIRD OR 3RD)()(PARTY OR PARTIES) OR INDEPENDENT?? OR PRIVATE??
S5	55262	INSURANCE OR COVERAGE OR BENEFIT OR BENEFITS
S6	2843704	AUTHORI??? OR AUTHORI?ING OR CONSENT OR PERMISSION? ? OR ALLOW?? OR PERMIT?? OR APPROV??? OR AGENT? ? OR DELEGATE? ? OR REPRESENTATIVE? ? OR BROKER? ?
S7	1267	OVERPAYMENT OR OVERPAY OR OVERPAID OR (DUPLICAT??? OR DOUBL???) OR REDUNDAN?? OR REPEAT??? OR MULTIPLES OR DOUBLE OR OVERR)(8N)(PAY OR PAID OR PAYMENT OR PAYMENTS)
S8	2	S1 AND S2
S9	0	S1 AND S3

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8/3,K/1 (Item 1 from file: 350)  
DIALOG(R)File 350:Derwent WPIX  
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0015491342 - Drawing available  
WPI ACC NO: 2006-055468/200606  
XRPX Acc No: N2006-047859

Advertisement providing method, involves conducting respective search in database, to generate search results, where primary search results are provided to user together with identified advertisement data

Patent Assignee: ALLSUP J F (ALLS-I); POSTON S (POST-I)

Inventor: ALLSUP J F; POSTON S

Patent Family (1 patents, 1 countries)

Patent Application

Number	Kind	Date	Number	Kind	Date	Update
US 20050283464	A1	20051222	US 2004865158	A	20040610	200606 B

Priority Applications (no., kind, date): US 2004865158 A 20040610

**Patent Details**

Number	Kind	Lan	Pg	Dwg	Filing Notes
US 20050283464	A1	EN	11	4	

Alerting Abstract ...search results are provided to the user together with the identified advertisement data, hence providing social security disability services to the user over the Internet effectively...

8/3,K/2 (Item 2 from file: 350)  
DIALOG(R)File 350:Derwent WPIX  
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0013650232 - Drawing available  
WPI ACC NO: 2003-746257/  
Related WPI Acc No: 2001-366395  
XRPX Acc No: N2003-597939

Coverage benefit cost computing method for retirement plans, involves converting input plan contribution data into input digital electrical signals and manipulating electrical signals by computing coverage benefit costs

Patent Assignee: KHODARA J (KHOD-I); SCHOEN M B (SCHO-I)

Inventor: KHODARA J; SCHOEN M B

Patent Family (1 patents, 1 countries)

Patent Application

Number	Kind	Date	Number	Kind	Date	Update
US 20030167220	A1	20030904	US 1997936037	A	19970923	200370 B
			US 2001861752	A	20010521	

Priority Applications (no., kind, date): US 1997936037 A 19970923; US 2001861752 A 20010521

**Patent Details**

Number	Kind	Lan	Pg	Dwg	Filing Notes
US 20030167220	A1	EN	73	50	C-I-P of application US 1997936037 C-I-P of patent US 6235176

**Original Titles:**

Computer apparatus and method for illustrating, issuing, and managing disability coverage for retirement plans with individual accounts

Alerting Abstract ...ADVANTAGE - The method automatically tracks initial and ongoing compliance of the disability benefits or coverage under applicable state and federal law. The method provides automated tracking on ...

Robert Finley

**Original Publication Data by Authority**

**Original Abstracts:**

...as IRS Sec. 401, 408, 457, in cases such as an IRA, ROTH IRA, individual social security accounts of whatever country may be at issue, and the like. Input plan contribution data can include data such as FICA tax, Federal Old Age, Survivors, and Disability Insurance tax data.



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Results for: social security **AND** disability

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and	<input checked="" type="checkbox"/>	<input type="text" value="disability"/>	in	<input type="text" value="Select a Field (optional)"/>	<input type="checkbox"/>	
and	<input checked="" type="checkbox"/>	<input type="text"/>	in	<input type="text" value="Select a Field (optional)"/>	<input type="checkbox"/>	
in <input type="text" value="Internet and Personal Computing Abstracts"/>				<input type="checkbox"/>		<a href="#">Fo is em</a>

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1-6 of 6   Page: 1

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[SOCIAL security](#)

[UNITED States](#)

[RETIREMENT](#)

[ELECTRONIC systems](#)

[AIRPORTS -- Security measures](#)

[PAPERWORK \(Office practice\)](#)

[PUBLIC contracts -- United States](#)

[WEST Virginia](#)

1. [INSIDE TRACK](#). By: Gerin, Roseanne. *Washington Technology*, 10/2/2006, Vol. 21 Issue 19, p10-10, 1/3p; (AN 22688841)
2. [SSA prepares for retiring boomers](#). By: Hasson, Judi. *Federal Computer Week*, 1/23/2006, Vol. 20 Issue 2, p56-56, 1p, 1 graph; (AN 19638481)
3. [Taxpayers, disabled to gain as paper pushers go digital](#). By: Marsan, Carolyn Duffy. *Network World*, 9/12/2005, Vol. 22 Issue 36, p1-70, 2p; (AN 18257076)
4. [Win Government Sales With Data Capture Solutions That Meet \*\*Disability\*\* Regulations](#). By: Chapin, Kristen. *Business Solutions*, Nov2004, Vol. 19 Issue 10, p70-72, 2p; (AN 14968015)
5. [Social Security Spends Money to Save Money](#). By: Gammon, Ralph. *Transform Magazine*, Jul2004, Vol. 13 Issue 7, p9-10, 2p; (AN 13571492)
6. [Retirement benefits do not reduce \*\*disability\*\* payments](#). *Managing Office Technology*, Jul97, Vol. 42 Issue 7, p9, 1p; (AN 9707264655)

1-6 of 6   Page: 1

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**Record: 1**

**Title:** INSIDE TRACK.

**Authors:** Gerin, Roseanne

**Source:** Washington Technology; 10/2/2006, Vol. 21 Issue 19, p10-10, 1/3p

**Document Type:** Article

**Subject Terms:** ADMINISTRATIVE agencies  
AIRPORTS -- Security measures  
PUBLIC contracts -- United States  
RETIREMENT  
SOCIAL security  
COMPUTER technical support

**Geographic Terms:** UNITED States  
NAICS/Industry Codes921190 Other General Government Support  
541519 Other Computer Related Services

**Abstract:** This section presents updates on several federal projects in the U.S. Engineering and technical support services are needed by the Defense Information Systems Agency for the Nuclear Command, Control and Communications System. Aside from systems engineering, systems, vulnerability, program, budget and technical analysis for the Nuclear C3 System will be provided by the vendor. Meanwhile, the Homeland Security Department is in need of technology solutions that can detect liquid explosives at airports and other mass transit facilities. Moreover, information is needed by the Social Security Administration on processing third-party bulk claims data as part of its effort to explore new ways for people to file applications for federal retirement and disability benefits.

**ISSN:** 1058-9163

**Accession Number:** 22688841

**Database:** Internet and Personal Computing Abstracts

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[\*\*◀ Back\*\*](#)**1 page(s) will be printed.**

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**Record: 1**

**Title:** Taxpayers, disabled to gain as paper pushers go digital.

**Authors:** Marsan, Carolyn Duffy

**Source:** Network World; 9/12/2005, Vol. 22 Issue 36, p1-70, 2p

**Document Type:** Article

**Subject Terms:** ECONOMIC security  
ELECTRONIC systems  
INSURANCE  
INSURANCE claims  
INSURANCE, Disability  
SOCIAL security  
UNITED States. -- Social Security Administration

**Geographic Terms:** UNITED States  
NAICS/Industry Codes524114 Direct Health and Medical Insurance Carriers

**Abstract:** This article reports that in 2006, the U.S. Social Security Administration (SSA) will complete the launch of an 800 million-dollar all-digital system, known as eDIB for Electronic Disability System, to process disability claims at nearly 1,500 locations nationwide. SSA says that eDIB will save more than 1.3 billion-dollar when compared with the cost of creating, mailing, and storing paper folders. Once eDIB is fully deployed, SSA hopes to slash 100 days out of the average time it takes to process a disability claim. The goal of eDIB is to speed disability claims processing by reducing delays in creating, transporting, and locating paper files.

**ISSN:** 0887-7661

**Accession Number:** 18257076

**Database:** Internet and Personal Computing Abstracts

**Full Text Database:** Business Source Corporate

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[\*\*◀ Back\*\*](#)**1 page(s) will be printed.**

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**Record: 1**

**Title:** Win Government Sales With Data Capture Solutions That Meet Disability Regulations.

**Authors:** Chapin, Khristen

**Source:** Business Solutions; Nov2004, Vol. 19 Issue 10, p70-72, 2p

**Document Type:** Article

**Subject Terms:** COMPUTER service industry  
PUBLIC contracts  
UNITED States. -- Social Security Administration  
COMPUTER value-added resellers

**Company/Entity:** QUALITY Associates Inc.  
NAICS/Industry Codes5415 Computer Systems Design and Related Services

**Abstract:** This article features value-added reseller Quality Associates Inc. (QAI) and its deal with the U.S. Social Security Administration (SSA), which it was able to achieve by taking the initiative to understand and meet disability accessibility requirements of a capture solution request for quotation (RFQ). The RFQ allegedly had a provision that the solution must meet disability requirements of Section 508 of the Rehabilitation Act, which is also referred to as accelerated electronic disability (AeDib). Section 508 apparently requires that when federal agencies develop, procure, maintain or use electronic and information technology, they must ensure that federal employees with disabilities can use the technology and access the related data and information. To win the contract, QAI not only needed to show it could provide the technological expertise, but it needed to show that it really understood and could provide a solution that met the AeDib requirements. Since QAI knew it needed assistance, it partnered with the Bartimaeus Group to create a laboratory/testing environment to develop a solution to address the AeDib issues. The Bartimaeus Group assisted QAI in researching the AeDib requirements and understanding what those requirements meant in relation to a data capture solution.

**ISSN:** 1521-7027

**Accession Number:** 14968015

**Database:** Internet and Personal Computing Abstracts

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**Record: 1**

**Title:** Social Security Spends Money to Save Money.

**Authors:** Gammon, Ralph

**Source:** Transform Magazine; Jul2004, Vol. 13 Issue 7, p9-10, 2p

**Document Type:** Article

**Subject Terms:** BUSINESS records  
GOVERNMENT paperwork  
PAPERWORK (Office practice)  
RECORDS -- Management  
REENGINEERING (Management)  
UNITED States. -- Social Security Administration

**Abstract:** The U.S. Social Security Administration (SSA) is undertaking a 900 million dollar project to reduce paperwork and re-engineer business processes. The agency's Accelerated Electronic Disability system is designed to speed processing of the more than two million disability claims filed each year. The system is being rolled out nationwide, and it is expected to reach all 1,700 SSA locations by June 2005.

**Full Text Word Count:** 743

**ISSN:** 1534-2832

**Accession Number:** 13571492

**Database:** Internet and Personal Computing Abstracts

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[\*\*Back\*\*](#)

[Back](#)**2 page(s) will be printed.**

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**Record: 1**

**Title:** Retirement benefits do not reduce disability payments.

**Source:** Managing Office Technology; Jul97, Vol. 42 Issue 7, p9, 1p

**Document Type:** Article

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**Abstract:** Comments on the Supreme Court of West Virginia's ruling that a state law requiring that permanent total disability benefits be reduced when a recipient begins to receive Social Security retirement benefits is unconstitutional. Preserving the integrity of the State Workers' Compensation Fund; Comparing workers' compensation with old age security benefits.

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**Section: RIGHT OR WRONG?****RETIREMENT BENEFITS DO NOT REDUCE DISABILITY PAYMENTS**

The Supreme Court of West Virginia has ruled that a state law requiring that permanent total disability benefits be reduced when a recipient begins to receive Social Security retirement benefits is unconstitutional.

The court determined that the law violated the West Virginia State Constitution because it failed to provide equal protection under the Workers' Compensation Act to Social Security recipients who were injured in employment. For the first time, the law created the classification of "old age social security recipient" and reduced benefits for those in the class without serving the attested purpose of avoiding benefit duplication.

Andrew N. Richardson, Workers' Compensation Commissioner, said the goal of the law was to help preserve the fiscal integrity of the State Workers' Compensation Fund by ensuring that claimants do not receive double benefits for the same loss. But workers' compensation and Social Security benefits are different. The court noted that permanent total disability awarded under workers' compensation is part of a comprehensive plan designed to rectify the results of an injury in the workplace. Social Security benefits, however, are earned by continued employment in the workplace and are attained after the age of 62 or 65. These benefits "may well provide some level of income while one who has been injured at work is not working, but it is paid as a result of work history and meeting the age requirements, not by reason of injury," said the court.

**TWO DIFFERENT IDEAS**

Both benefit schemes are similar because each is paid due to the interruption of work. However, the two programs compute benefits on entirely different bases and compensate for these benefits differently as well. The amount of permanent total disability benefits is determined under a statutory scheme that includes the nature of the injury, the average wages of the claimant over a relatively short time, and the average wages earned in the state. On the other hand, while old age social security may well provide some level of income when one who has been injured is not working, it is paid as a result of work history and the

attainment of the required age, not by reason of injury. Unlike workers' compensation, old age social security also functions as a partial replacement of income after one has retired and is not working.

Because of these factors, the court ruled that comparing workers' compensation benefits to old age social security benefits generates substantial doubt that the classification of "old age social security recipient" is a rational one upon which to base a reduction of workers' compensation permanent total disability benefits. It also creates doubt that the classification bears a reasonable relationship to the governmental purpose of avoiding a duplication of benefits, particularly for a loss sustained by one who is permanently disabled by reason of a workplace injury.

### **THE RULING**

The respondent argued that the classification is rational and reasonably related, because the workers' compensation system is part of "an overall wage replacement system" of which social security old age benefits are another part. The court responded by saying without question, workers' compensation benefits in part "replace" wages lost by reason of not working because of injury and it is measured, at least in part, by past wages earned. However, workers' compensation benefits for permanent total disability are more than simply a wage replacement system. While the amount of such payments is, in fact, based on the injured worker's past employment, the benefits are also defined and limited by additional factors such as average wages in the state. "We do not find that the statute under discussion in fact avoids duplication of benefits," said the court.

The court used a Florida case to support their decision, which upheld a statute denying what its law called "wage replacement payment" to disabled workers over the age of 65. This court agreed with the Florida court's conclusion that wage-loss disability benefits cannot be considered duplicative.

The court concluded that permanent total disability payments under workers' compensation, measured in part by prior wages, past, present, or future, are not just "wage replacement" and thus are neither welfare benefits or benefits "attributable to advanced years."

Overall, the court held that the law violates the West Virginia state constitution in that it fails to provide the equal protection of the Workers' Compensation Act to "old age social security recipients" who may have been, or may be, injured in their employment and are permanently and totally disabled.

Citation: State of West Virginia ex rel. Latta Boan v. Richardson, WVa SupCt App, 23667, 12/13/96

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